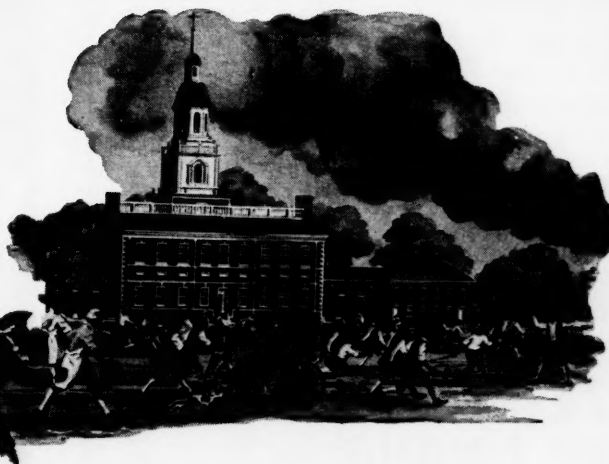


The NATIONAL UNDERWRITER

Life Insurance Edition

Benjamin Franklin signs one of the first mutual insurance policies in America

Of all Franklin's interests, none was more farsighted than his recognition of the need for mutual insurance. He helped organize the oldest mutual fire insurance company in America — The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire. This company was founded in 1752 only a few blocks from Independence Square and the present Home Office of The Penn Mutual. Americans then were just beginning to share a common risk through mutual insurance.

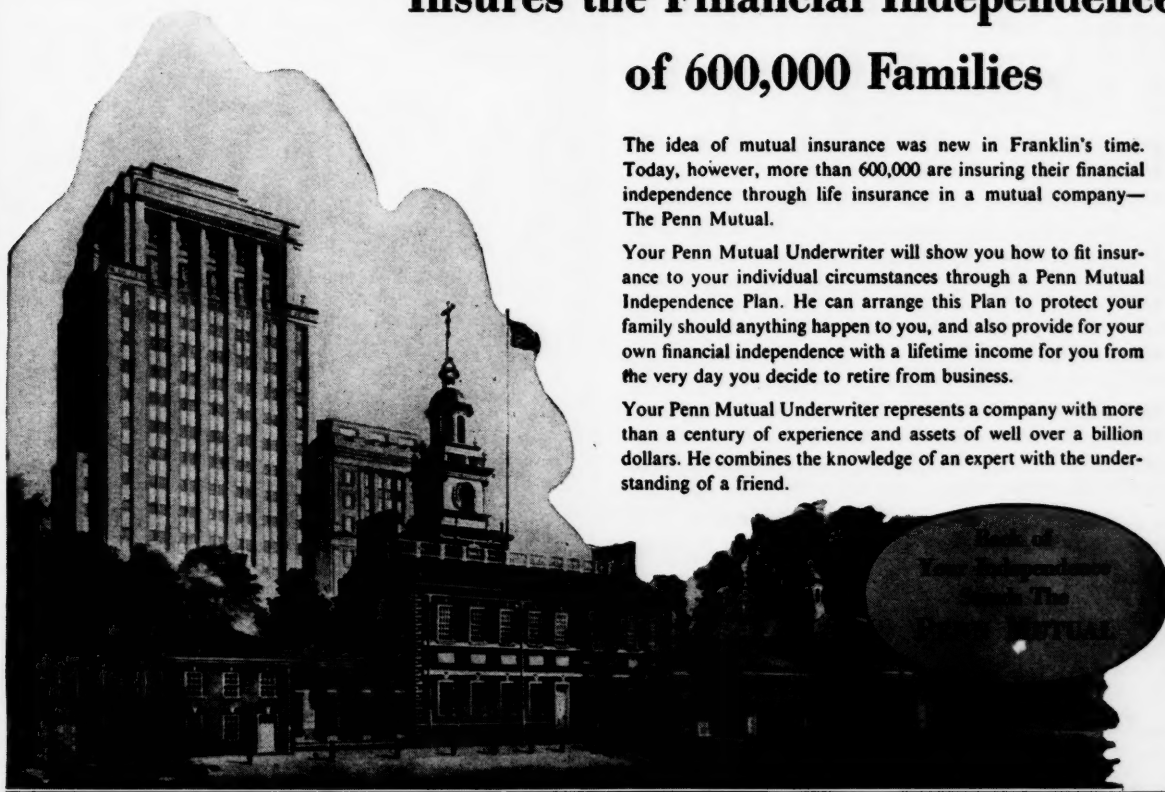


Now One Mutual Company Insures the Financial Independence of 600,000 Families

The idea of mutual insurance was new in Franklin's time. Today, however, more than 600,000 are insuring their financial independence through life insurance in a mutual company—The Penn Mutual.

Your Penn Mutual Underwriter will show you how to fit insurance to your individual circumstances through a Penn Mutual Independence Plan. He can arrange this Plan to protect your family should anything happen to you, and also provide for your own financial independence with a lifetime income for you from the very day you decide to retire from business.

Your Penn Mutual Underwriter represents a company with more than a century of experience and assets of well over a billion dollars. He combines the knowledge of an expert with the understanding of a friend.



THE PENN MUTUAL LIFE INSURANCE COMPANY • INDEPENDENCE SQUARE, PHILADELPHIA

The Penn Mutual Believes in Promoting Its Own People to Positions of Managerial Responsibility

FRIDAY, OCTOBER 16, 1953

UNITED BENEFIT LIFE PASSES *BILLION* in *FORCE*

UNITED of OMAHA has become the nation's YOUNGEST OLD-LINE LEGAL RESERVE STOCK LIFE INSURANCE COMPANY with \$1,000,000,000.00 of insurance in force.

By reaching its first billion-in-force during this, its 27th year, United Benefit Life set a *new world's record!*

Setting records is nothing new for United Benefit. On its twentieth anniversary, it made a record, by attaining a half-billion insurance in force. In the seven years since then, its insurance-in-force has *doubled*.

This progress has been made on the basis of STRENGTH, STABILITY and SERVICE, and has put United Benefit among the top 6 per cent of America's life insurance companies.



UNITED BENEFIT LIFE INSURANCE COMPANY
HOME OFFICE: OMAHA, NEBRASKA

PRAISE THE LORD AND PASS THE AMMUNITION!



A Navy Chaplain, aboard the Cruiser New Orleans, uttered the above, oft-repeated, famous statement. It could well be the plea of every life insurance representative. Pan-American Life Insurance Company offers the following "ammunition":

Fine training
Excellent sales aids
Highly competitive merchandise
Career contract for career men

IN ADDITION—

Unexcelled Home Office Underwriting and Service

Pan-American's liberal compensation plan includes:
NON-CONTRIBUTORY

1. Hospitalization
2. Group Insurance up to \$6000

3. Pension Plan
4. Disability Benefits

For further information, Address
CHARLES J. MESMAN
Superintendent of Agencies

CRAWFORD H. ELLIS
President

EDWARD G. SIMMONS
Executive Vice-President

KENNETH D. HAMER
Vice-President & Agency Director



NEW ORLEANS, U.S.A.

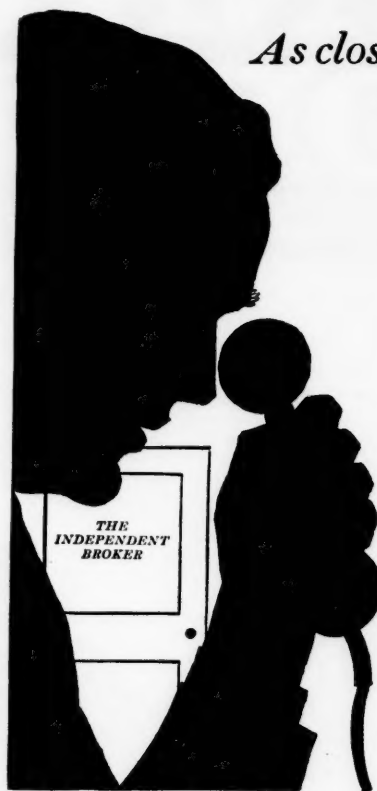
As close as your phone...

YOUR OWN LIFE INSURANCE DEPARTMENT

Now, your nearest Connecticut General brokerage office can give you all the advice, specialized service, sales and promotion assistance you need to handle life coverage profitably.

Get the details: Telephone the nearest Connecticut General office or write to Connecticut General Life Insurance Company, Hartford, Connecticut.

Connecticut
General



THE
INDEPENDENT
BROKER

Join the ranks . . .

**WE'RE ON THE
MARCH**

1. Career Contracts.
2. Liberal First Year Commissions.
3. Vested Renewals Unsurpassed.
4. Bonus on Quality Business.
5. Attractive Retirement Plan.

Our expansion program creates exceptional career opportunities in Alabama, Georgia, Kentucky, Pennsylvania and Tennessee.

Write: **G. FRANK CLEMENT**
Vice President & Agency Manager

**Shenandoak Life
INSURANCE COMPANY, INC.**

ROANOKE 10, VIRGINIA ★ PAUL C. BUFORD, PRESIDENT

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

57th Year, No. 42
October 16, 1953

Experience Yields Much Profit for Life Advertisers

IAA Holds 3-Day Session
at Boston; Jack
Morris New President

BY ROBERT B. MITCHELL

"Profit from Experience" was the theme of the Life Insurance Advertisers Assn.'s 20th annual meeting, held at Boston, and those who attended profited greatly from the accumulated experience of fellow-members on the program and also of speakers in several related fields. About 300 members were on hand for the three-day meeting.

At the opening session, Royden C. Berger, Connecticut Mutual, the general chairman, explained the hard work that had been done by the heads of the convention committees. He was generous with his compliments. Robert R. Taylor, Jefferson Standard, a former L.A.A. president, presided as chairman.

Appropriately, the initial speaker was Nelson A. White, Provident Mutual. He was L.A.A.'s first president. Mr. White cast a brief backward glance at the organization meeting held in Chicago in 1933 attended by 44 adver-



David W. Tibbott

NEW OFFICERS

President—Jack R. Morris, Business Men's Assurance.

Vice-president—A. H. Thiemann, New York Life.

Secretary—Richard L. Hinderman, Pan-American Life.

Treasurer—Henry M. Kennedy, Prudential.

Editor of Life Advertiser—William Sexton, Great Southern.

Executive committee—David W. Tibbott, New England Mutual, immediate past president; Stanley M. Richman, General American Life; H. Dixon Trueblood, Occidental Life of California; Morgan S. Crockford, Excelsior Life, and Royden C. Berger, Connecticut Mutual.

tising men representing 37 companies and contrasted it with the more than 200 company and 400 individual L.A.A. members today. He sketched the history of the organization, referred to its activities and operations, and emphasized that it deals in fundamentals. He said that its greatest contribution had been in raising advertising ethics to a high level, and declared that there is no business in which the tone of the advertising is on a higher plane than in life insurance.

Cecil J. North, vice-president of

(CONTINUED ON PAGE 18)

Wolverton Committee Hears Insurance Company Spokesmen on Health Plans

WASHINGTON—Spokesmen representing insurance companies told the special House subcommittee headed by Rep. Charles A. Wolverton of New Jersey that more than 91 million men, women and children have hospitalization protection, 73 million have surgical expense coverage, and 36 million are protected against medical expense.

In addition, "major medical expense" insurance, a relatively new and rapidly growing form of health insurance designed to reimburse families for extremely heavy medical expense arising from very serious illnesses and accidents, already protects an estimated one million people.

Last year alone, more than \$2 billion in benefits were paid to individuals and their dependents by all these voluntary health plans—about \$1 billion to help meet the cost of hospitalization, half a billion dollars for surgical and doctors' bills, and another half-billion for benefit payments by insurance companies to replace family income lost through sickness or injury of the breadwinner.

The committee has been holding hearings to assemble the latest available information on medical research and treatment of major diseases, and the means by which individuals, their families and the national economy are protected against financial loss resulting from illness. After this Wednesday, however, Chairman Wolverton decided to postpone further hearings on health problems until the next session of Congress, since not enough members of the House commerce committee have been attending the hearings.

The postponement decision means Blue Cross, Blue Shield, union labor witnesses and others will not be heard before January.

The insurance company spokesmen said that health insurance protection is expanding throughout the country with striking rapidity each year. Both the number of people and of families protected against the financial costs

and losses of illness, and the types and amounts of coverage of their expense and losses are growing constantly.

In 1941, the year beginning World War II, only 16 million people were insured under group and individual hospitalization insurance plans, in contrast to the 91 million now so protected. In 1952 alone, more than 5½ million were added to the total covered under these voluntary plans. Less than 7 million people were covered for surgical expenses in 1941, compared with 73 million so protected today. About 3 million people had medical expense coverage in 1941, in contrast with 36 million at the beginning of this year.

More and more insurance companies—some of them established a century or more ago—are entering the relatively new field of health insurance, the company spokesmen said. In each case, the companies devise plans which will afford the most protection consistent with reasonable cost to the public. Sound financing of the plans and maximum flexibility and adaptability of the insurance to the needs of various groups and segments of the population are major objectives of the insurance companies.

In a statement issued in advance of the hearings, Chairman Wolverton emphasized that the hearings on voluntary private health insurance plans were designed to give the committee first-hand information on the coverage provided by health plans now in existence.

The committee wanted to see, he said, if there are any obstacles which stand in the way of broadening and improving existing methods of voluntary protection.

If so, Wolverton said, he wanted to know about them "because I believe firmly that the American people need better protection against the staggering economic burden resulting from extended illness."

Insurance company representatives
(CONTINUED ON PAGE 27)

Plan Would Let N. Y. Insurers Aid LUA as Non-members

Meanwhile Companies
Consider Contributing
on Temporary Basis

BY ROBERT B. MITCHELL

NEW YORK—A solution appears imminent for the highly controversial question of whether the National Assn. of Life Underwriters should permit the New York State Assn. of Life Underwriters to go ahead with its plan for enrolling company members as dues-paying but non-voting members.

In essence the proposal would permit the New York State association to enlist the financial support of the New York domiciled companies without calling them members. They would not have even the limited "member" status contemplated in the plan that the delegates unanimously ratified last May at Syracuse.

Meanwhile the companies have under consideration a temporary plan for contributing to a fund to help finance the state association's activities. The state group's finance committee and officers recently met with the presidents or other representatives of New York domiciled companies. Asked about the outcome, Frank B. Alberts, Aetna Life, Rochester, president of the state association, said there will be further discussion between New York State association leaders and the National association on the company-member plan but in the meantime "consideration is being given to contributions by domestic New York companies to the state association on a temporary and non-membership basis."

A suggested permanent solution that would assure financial aid on a regular basis from the domestic companies has been worked out by the state association leaders and the special committee of NALU appointed to handle this matter, consisting of David B. Fluegelman, Connecticut Mutual, New York City, immediate past president; Stanley Collins, Metropolitan Life, Buffalo, NALU secretary, and Osborne Bethea, Prudential, Newark, NALU treasurer. However, the NALU board of trustees has still to decide on it.

Neither the state or National association have indicated what the company sentiment might be on the proposed non-membership financial support plan but from company sources THE NATIONAL UNDERWRITER received the impression that the companies are perfectly agreeable to a modification of the original plan that would not involve their becoming members of the state association. The companies want to pay their fair share for the work that the state association does in the interest of the industry and the policyholders provided it is done on a basis

(CONTINUED ON PAGE 28)

Late News Bulletins . . .

Medical Directors Elect Dr. R. C. Montgomery

Dr. Richard C. Montgomery, Manufacturer's Life, was elected president of Assn. of Life Insurance Medical Directors at its annual meeting this week at New York. He succeeds Dr. Earl C. Bonnett, Metropolitan.

Other officers are: President-elect Dr. Richard L. Willis, Mutual Life vice-president, Dr. Ralph R. Simmons, Equitable Life of Iowa; secretary, Dr. Henry B. Kirkland, Prudential; treasurer, Dr. J. Grant Irving, Aetna Life; editor of proceedings, Dr. James R. Guder, Mutual Life.

The 1954 meeting will be held at the Royal York hotel, Toronto, Oct. 13-15.

GAMC Brass to Meet at Chicago Nov. 9

A meeting of the executive committee of General Agents & Managers Conference of NALU will be held at Chicago Nov. 9. Chairman Ray H. Wertz, Lincoln National, Detroit, has called the meeting for the purpose of discussing overall plans for the year. The meeting has been timed to coincide with the L.I.A.M.A. convention there because of the common interests and objectives of the two groups.

(Additional Late News on Page 28)

Pressure in All Lines of Insurance Is For More Efficient Distribution at Lower Cost

C. J. Zimmerman, in Addressing Chicago Union League Group, Counsels "Fluid" Attitude Towards Change and Hints Belief Commission Scales Are Vulnerable

Signs of parallel interest in both the life insurance and the property insurance spheres were scanned by Charles J. Zimmerman, managing director of Life Insurance Agency Management Assn. of Hartford, in addressing the first luncheon meeting of the new season of the insurance group of Union League Club of Chicago. He was introduced by Ferrel Bean, general agent of John Hancock Mutual. Roy L. Davis, western manager of Assn. of Casualty & Surety Companies, who is chairman of the insurance group, presided.

Mr. Zimmerman surveyed the changes in the insurance business in the past 25 years and predicted that the years ahead will see even greater changes. He advocated a "fluid" attitude on the part of the insurance industry towards change. There should be a willingness to embrace changes that are soundly bottomed, although they may be unpopular in the trade. Changes are likely always to be painful, he said, but the dangers of inertia are greater than the dangers of innovation. "You have got to be open-minded and don't buck change," he counseled. "Ride with it if it is a sound change." The ultimate objective of insurance is to meet the human needs and desires for protection and that means the desires of all segments of the population. There must be rendered a broad public service and there is danger that in doing only a class business the broader purposes may be neglected.

Mr. Zimmerman said that over the ages, man longed for security and very often in going for that he has sacrificed personal liberty and freedom. The best way to attain security without making such a sacrifice is through insurance. That being true, the insurance business must be prepared to answer the call and should not be stiff-necked and inflexible.

He spoke of the great change in the life insurance agency system over the past 25 years. A quarter of a century ago the part-time man ruled the roost. Now the full-time agent is the rule. The independent contractor who took all the risk in life insurance selling is now giving way to a subsidized and controlled agency plant. Some 70% of the newcomers into life insurance selling enter as employees, at least in the first two or three years. There has been a transition from the old general agency system to the managerial type and more recently to a hybrid system utilizing the best of each. There has been a great expansion in the uses of life insurance. As recently as 25 or 30 years ago, life insurance was mainly regarded as a burial benefit. Now it serves a multitude of purposes at every turn in the road. There has been great development in the scientific selection of agents and in providing training and supervision. There has even been developed a fine post-selection technique whereunder within six months the misfits are detected and kindly sent elsewhere.

Ground has been lost in the last 10 to 20 years, however, in the extent of the coverage and the adequacy of it, especially in respect of ordinary life

insurance and the individual policy. There has been in the life insurance ranks an upgrading of the market, which means more adequate coverage for those best able to buy, but that unfortunately has been accompanied by a drift away from the mass market. To some extent he said this may be due to the New York restrictions on expense limitations. Offsetting the shrinking market in respect of individual policies has been the great development of group insurance, pensions, etc.

There is the pressure of that kind of development along with government competition especially in the realm of social security. The great pressure on the insurance business is to be in the direction of more efficient distribution at a lower cost. That is going to be the challenge at every turn. In the life insurance field, that can't be accomplished by increasing the commissions. In other words he doesn't share the notion that to make the percentage of commission higher will induce the ordinary agent to turn his attention to those who have to budget more closely.

"You will not save many souls with an extra 5% commission," he said. "You can't improve the distribution system by making it more costly."

In this connection he vouchsafed that "you can't save the general insurance distribution system with the present scale of commission." Both life insurance and general insurance will have to conform to more efficient, lower cost distribution demands. In A. & H. insurance, he said, graded compensation is the trend. He added that there is nothing incompatible with a lower scale of commission and higher income to the individual agent.

Mr. Zimmerman alluded to the mat-

ter of insurance supervision and said that in New York the insurance department has begun to depart from regulation as such and is trying to control and direct management. As a matter of fact, however, he said, the insurance industry isn't entirely sold on the idea that this kind of supervision should be dispensed with. The situation of the insurance business is comparable to businesses that have long lived under the mulch of a high protective tariff. There has been so much protection in the way of regulation, he said, that the life insurance business would not buy the idea of removing all regulation. However, Mr. Zimmerman expressed the belief that there is nothing basically wrong in removing most of the regulatory laws. The fault of excessive regulation is one that has to be shared by insurance management, he said.

New Capitol Life Plan Presented at Colorado Parley

Full details of a new guaranteed savings contract were presented at a four-day Capitol Life convention at Colorado Springs.

The new contract is a basic life paid-up at age 65 with the added feature of 19 coupons. Designed to provide a 20-year endowment at the end of the first 20-year period, the plan includes a return of premium benefit during that same period.

More than 200 top producers attended the meeting, climaxing an 18-month production campaign. Thomas F. Daly, II, vice-president and agency director, demonstrated a new and extensive sales and merchandising kit developed by the company for its new plan.

Mr. Daly also reviewed the company's rapid growth over the past 12 months. To date, in paid-for production, Capitol Life is 57.5% ahead of last year's sales. This compares, Mr. Daly pointed out, with a national average gain of 19% for all companies in the U. S. and Canada, according to L.I.A.M.A. figures.

Speakers, Topics for LIAMA Annual at Chicago Are Given

Managerial Problems Covering Wide Range Coming Up for Discussion

A schedule of events has been released for the annual meeting of L.I.A.M.A. to be held Nov. 8-13 at the Edgewater Beach hotel, Chicago.

Committee meetings will begin Sunday and extend into Tuesday, the day of the first general session.

Starting off Tuesday's agenda will be a forum on "How Advertising Pays Off for Us" during which five companies will describe results of their advertising programs. "What's Hot in Washington" is the topic of a forum in which Eugene M. Thore, general counsel of L.I.A., and Robert L. Hogg, executive vice-president and general counsel of A.L.C. will participate. The luncheon speaker will be Dr. F. Cyril James, principal and vice-chancellor of McGill University, Montreal. Rounding out the session will be the L.I.A.M.A. presidential address of Grant L. Hill, vice-president of Northwestern Mutual, and a panel on current problems led by Lewis W. S. Chapman, L.I.A.M.A. director of company relations.

On Wednesday, John L. Bennett, Dominion Life, Vancouver, president of Life Underwriters Assn. of Canada, will report for the Canadian field forces; Frank B. Maher, vice-president John Hancock, will explore reasons for acquiring quality business; Clifford L. Morse, secretary and director of agencies Phoenix Mutual Life, will give examples of how to acquire persistent business; S. Rains Wallace, Jr., director of research, will discuss L.I.A.M.A.'s research program; Robert C. Gilmore, Jr., Mutual Benefit Life, Bridgeport, Conn., president of National Assn. of Life Underwriters, will speak for U. S. agents; E. J. Moorhead, associate actuary New England Mutual, will review developments in agent and managerial compensation, including section 213, and James E. Rutherford, vice-president Prudential, will consider the job of the agency officer, his duties and responsibilities. There also will be a showing of the play "Stardust" written by Laffin Jones, Northwestern Mutual, and which has been presented before several life insurance meetings.

A "New Manpower" symposium will lead off Thursday's events. Results of the plans of four companies will be presented by Alvin B. Dalager, senior vice-president Equitable Society; Charles H. Heyl, agency vice-president Bankers Life of Nebraska; Charles H. Schaaff, vice-president Massachusetts Mutual, and Harold I. Weir, assistant general manager and superintendent of agencies London Life. Charles J. Zimmerman, managing director, then will review L.I.A.M.A. activities and discuss trends in the business.

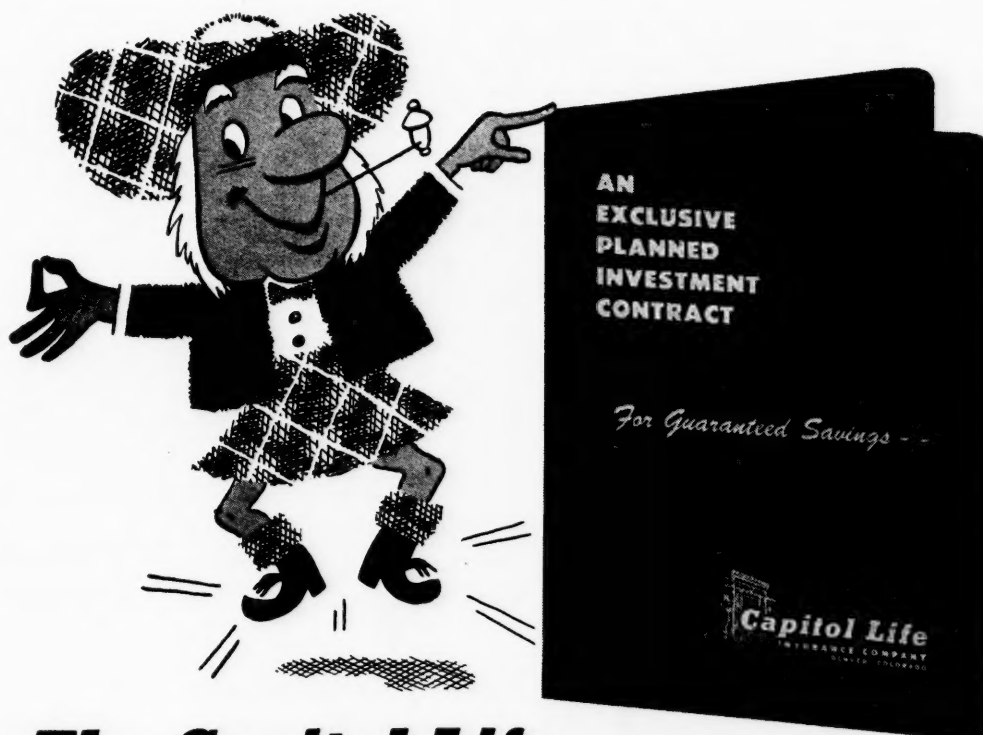
The compensation committee will stage a compensation forum that afternoon, considering developments in agent and managerial compensation, including section 213.

Immediately following the meeting.

(CONTINUED ON PAGE 23)



A. M. Burton, right, president emeritus of Life & Casualty Insurance Company, Nashville, Tennessee, received the Company's first 50-year service award from Guilford Dudley, Jr., president, left, and Paul Mountcastle, chairman of the Board. Burton founded the Company on September 12, 1903, and was its president until his retirement in February, 1950.



The Capitol Life announces...

ONE MORE REASON WHY MORE AND MORE NEW MEN ARE JOINING THE CAPITOL LIFE...the fastest growing regional company in the West.

"Here's Why I Joined the CAPITOL LIFE"



IN UTAH... "Selling is easier with Capitol's new EPIC Plan. An Exclusive Contract that offers all these benefits can make selling easier for any young Field Underwriter."

T. EARL KELLY,
Agency Manager
Bingham Canyon, Utah



IN DENVER... "Capitol's top Commission scale has made the EPIC plan very popular among the men in my own agency unit. This type of contract gave me my first real income in the insurance business."

FRANK C. CARBREY,
Asst. Agency Mgr.
Denver, Colorado

(Two More New Signers on the Dotted Line)

For details on Capitol's Field Underwriting and Agency opportunities, write:

THOMAS F. DALY II, Vice President and Director of Agencies.

a new guaranteed savings plan that offers greater benefits than ever before...

Plus—a Complete Return of Premium Feature

Capitol's new Exclusive Planned Investment Contract combines a return of premium in the first 20 years with a 20-year endowment feature in the form of 19 coupons. Here is a *guaranteed* savings plan with proven high-powered sales appeal...designed to reach every income group. Capitol's EPIC sales portfolio is packed with new prospecting tools—new selling ideas and a new one-stop...one-interview sales technique. This means greater production with top first year commissions for every Capitol representative.



Capitol Life
INSURANCE COMPANY
DENVER, COLO.

ALC SPEAKER

N. Y. Uniform Expense Proposal a Threat to Industry: Breiby

Life insurance is threatened by further regimentation in the proposal of the New York superintendent of insurance that state supervising officials be empowered to bring about uniformity in the allocation of income

and expenses as between different lines of coverages or insurances, declared William Breiby, vice-president of Pacific Mutual Life, at the American Life Convention Chicago meeting last week.

"The threat of this proposal should have the attention of the life companies' top management," Mr. Breiby stated. Otherwise, "it would lead to the state fixing premium rates for life insurance and personal A. & H. That would strangle the life insurance companies improving and extending service to the public."

The viewpoint expressed in the re-

port of the New York superintendent, Mr. Breiby said, was a "startling" one, applying the philosophy of regulation that pertains to monopolistic services to a business as highly competitive as life insurance.

"Expense allocation is a very complicated procedure. To effect a fair and equitable allocation of expenses as between the different lines of insurance coverage and as between acquisition of business and servicing of renewals regard must be had for the circumstances peculiar to each company, for the particular types or lines of insurance, the set-up of the home office and field organizations. Even after the closest analysis is made of the work of the several departments and groups of clerks, personal judgment must be applied as to how to handle this, that, or the other item.

"Why all the emphasis of having available data for making comparisons between the several companies?" Mr. Breiby asked. Surely no department needs to be in that position in order to carry out its responsibilities to protect the interests of policyholders. In the last analysis the only worthwhile comparison as between companies is the net cost of the coverage and the relative degree of service rendered to the policyholder. Relative degree of service cannot be set down in dollars and cents.

Mutualization Plan of Farmers & Traders Gets Directors' Approval

Farmers & Traders Life, which will become mutualized under a program approved by directors, has called meetings of stockholders Oct. 19 and policyholders Nov. 30 to consider the plan.

The company is to pay \$1,000 for each of the outstanding 3,000 shares of capital stock that carry a par value of \$100. A deferred method of payment has been set up, the first payment to be made in January, 1955, when the plan becomes effective. Thereafter 30 interest will be allowed on the unpaid balances.

The per share price is equivalent to approximately \$10 for each \$1,000 of insurance in force over and beyond the book value. At Dec. 31, 1952, the company had \$129,326,126 of insurance in force, with capital and surplus of \$1,695,226.

With normal earnings, it is expected it will take about 10 years to complete payment of the mutualization price.

Williams Is ALC Combination Chief

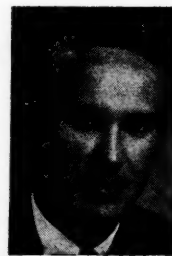
At the traditional dinner meeting of the combination companies section of American Life Convention, whose annual meeting was held at Chicago last

Capehart Views Future for Indianapolis Managers

The extension of social security to new occupational classifications and an increase in benefits are inevitable, Sen. Homer Capehart (R.-Ind.) told a group of Indianapolis general agents and managers at an informal luncheon meeting.

The senator, who favors a pay-as-you-go basis for social security, said that Congress has been delaying inevitable increases in benefits to see where the dollar will stabilize. "Once you set a benefit, you can never reduce it," he pointed out in explaining the hesitancy.

Asked directly about the chances of the Jenkins-Keogh bill, Sen. Capehart pointed out that revenue bills must originate in the House and that as yet, he has given only superficial study to the bill. However, he expressed doubt that any bill discriminating against one form of "trust fund"—which he defined to include life insurance—in favor of another would ever become a law. "It doesn't seem to me it would be constitutional, although you must remember I am not a lawyer," he concluded.



W. J. Williams



W. J. Hamrick

week, W. J. Williams, vice-president of Western & Southern Life, was elected section chairman, succeeding W. J. Hamrick, agency vice-president of Gulf Life. The new secretary is Frank B. Maher, Jr., vice-president of John Hancock. The speaker was Dr. Frank Goodwin, professor of marketing at the University of Florida school of business administration.

Prudential Host to 600 at Anniversary Luncheon

NEWARK—Prudential was host Tuesday to some 600 business and professional leaders of northern New Jersey at a buffet luncheon marking the company's 78th anniversary. The luncheon has become a tradition since being inaugurated at the 50th anniversary in 1925.

In the receiving line with President Carol M. Shanks were Harold M. Stewart, executive vice-president; George E. Potter, vice-president; and Frederick H. Groel, vice-president and secretary.

N. Y. Managers' Card Given

NEW YORK—The New York City Life Managers Assn.'s meeting at 2:30 p.m. Oct. 29 at Hotel Astor will be on "Money Problems of Management." Speaking on "Estate Planning for the General Agent and Manager" will be John Barker, Jr., vice-president and general counsel New England Mutual. Discussing "The General Agent and Manager—a Business Man" will be Herbert W. Florer, general agent Aetna Life, Boston.

The Saturday Evening POST

"Thanks to our Mutual Benefit Life Plan we can Enjoy Life and have an Income guaranteed for Life"

Says Charles W. Norton Jr., Family Man and Production Manager All American Mfg. Co., Los Angeles

Charles R. Gibbs, Mutual Benefit Life Insurance Company

MUTUAL BENEFIT LIFE INSURANCE COMPANY Organized in 1845 300 Broadway, Newark, New Jersey

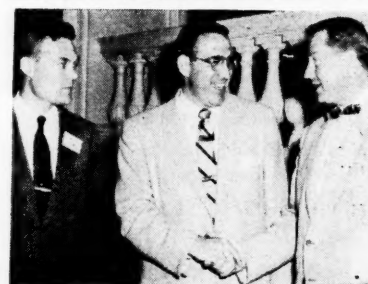
B.T.C. ?

You'd expect a man to be a Big Time Operator to be featured in a Saturday Evening Post ad costing \$14,670. And he is! After just seven years with Mutual Benefit Life, Charles R. Gibbs of San Francisco has qualified for this national recognition.

It's not only a tribute to Charlie but, we think, to the basic and advanced training he received here in the Home Office.

THE MUTUAL BENEFIT LIFE INSURANCE COMPANY

Organized in 1845 300 Broadway, Newark, New Jersey



Leading John Hancock agents at the company's Chicago meeting for top producers. From left, Morton Y. Bullock, Baltimore, who sold policies to the greatest number of individuals; Joseph N. Desmon, Buffalo, premium leader, and William F. Davis, Louisville, who had the largest ordinary volume.

The small businessman has a BIG need
for Employee Life Insurance.

You can satisfy this need and increase YOUR business
by recommending

The Travelers Employee Life Plan.



For further details call your nearest Travelers Life Manager or General Agent.

He's as handy as your telephone.

The Travelers INSURANCE COMPANY

Hartford, Connecticut

Blue Cross-Blue Shield Can Cancel in Case of Dual Cover, Ohio Ruling

Hospital Service Assn. of Toledo has the right to cancel all hospital and surgical service policies with members of the Toledo Building Trades Council and affiliated unions, according to Judge O'Connor of Lucas county common pleas court, who dissolved an injunction granted to union members. He ruled that policies written by Blue Cross-Blue Shield were strictly "term insurance", and that Hospital Service Assn. has the right to renew or refuse to renew this type of policy at any time.

Judge O'Connor also found that since experience of the association showed it would lose money if forced to extend that type of coverage to members covered by other insurance in the Building Workers Health & Welfare Fund, the action in terminating the union policies was not arbitrary.

"Hospital Service Assn. is not required to penalize its other subscribers for the class of subscribers represented by the plaintiff's action," he said.

Counsel for the association had argued that if the non-profit corporation lost money covering the building trades group, it would have to charge higher rates to its other subscribers.

PLAN SUIT AT BUFFALO

BUFFALO—A proposal to sue Blue Cross over its reported plan to drop employes of Sterling Engine Co. from membership because of dual hospitalization coverage was laid before the Greater Buffalo Industrial Union Council.

Charles Cina, bargaining committee chairman of local 810, CIO United Auto Workers, said Blue Cross has insisted that Sterling Engine employes drop their commercial hospitalization plan with the company as a condition of continued Blue Cross membership.

• Life Insurance Managers Assn. of Los Angeles heard President Lloyd Lafot, California inspector of agencies for New York Life; Mrs. N. M. Bard, chairman of the women's section of the Los Angeles Life Underwriters Assn., and Los Angeles Mayor Norris Poulson.



Kan Tai Lee, Hawaiian commissioner of insurance, shown paying a courtesy visit to President Carrol M. Shanks of Prudential in his office at Newark. Mr. Lee, who also is treasurer of Hawaii, will receive a return visit from Mr. Shanks in mid-November when he plans to make a business trip to Hawaii.

U. S. Taxes Neutralize Improving Investments

While the net rate of interest earned on life company investments has been rising for more consecutive years than at any previous time since the turn of the century, and has increased one-seventh in five years, the benefit to policyholders from this improvement has been sharply reduced by heavy taxes, according to Institute of Life Insurance.

The anticipated further increase in yield this year would be the sixth in succession and would be such as to eliminate most if not all of the decline of the six or seven years prior to the upturn. Such a gain, normally already reflected in life insurance costs, has been offset in large part by rising taxes. Consequently, only a portion of the greater investment income is available to apply to policyholders' net cost of insurance, the institute says.

The life insurance investment earning rate has moved through several cycles of increase and decrease during the past 100 years. The peak of the first quarter of this century was in 1923, when the rate was 5.18%. After 1923, there was a decline to the 1947 low of 2.88% and since then the rate has been rising, with 3.28% reported last year and a rise expected again this year.

Prior to the 1940s the net rate of interest earned was practically the same as the effective rate, but recently inroads of federal income taxes have become appreciable. Last year, for example, the earning rate of 3.28% became an effective rate of 3.07% after taxes. About half of the improvement in yield rate since the current upturn began has been offset by federal income taxes alone, not taking into consideration state and local taxes.

The greater part of the improvement thus far probably is traceable to portfolio changes, as it takes a long time for the improved interest rates to be translated into over-all earning rates.

L.O.M.A. Grads to Meet

The first fall meeting of Society of L.O.M.A. Graduates will be Oct. 21 at the home office of the Home Life. William P. Worthington, president of the Home Life, will stress the importance of teamwork in home office activities in his talk, "What Is the Most Important Department of a Life Insurance Company?"

The year's program, including plans for educational activities and L.O.M.A. examination study, will be announced.

Gilmore to Milwaukee for His First Trip to the Grass Roots

Problems and opportunities that face National Assn. of Life Underwriters and his own personal sales philosophy were discussed briefly by Robert C. Gilmore, Jr., Mutual Benefit Life, Bridgeport, Conn., newly elected president of the N.A.L.U., in his talk before the Milwaukee association at its October meeting.

This was President Gilmore's initial appearance before a local association since his election at the Cleveland national convention. He was introduced by A. Jack Nussbaum, Massachusetts Mutual Life, Milwaukee, national trustee.

Mr. Gilmore, speaking about several important policy matters now before N.A.L.U., mentioned the consolidation and implementation of headquarters operations under Lester O. Shriver, newly appointed managing director; company memberships in local associations, revision of statutes such as sections 213 and 213A, the proposed limitation of group insurance in states that have no limits, extending association membership to get the greatest number of potential members, and the proposed national headquarters site.

"Enjoy your religion of life insurance—the belief in your philosophy of life as applied to life insurance. Such beliefs, coupled with highly imaginative selling techniques, result in true service to the insuring public. Imagination," Mr. Gilmore said, "is that special quality to determine what you can really do. We have never yet realized the full potential of American life insurance."

Mr. Gilmore urged every agent to know the dollar value of his sales time as a practical foundation for his own belief in his economic value. Such conviction is compelling self-motivation, he stated.

Guests were officials of Northwestern Mutual and Old Line Life, as well as E. C. Schroder, Appleton, president, and other officials of the Wisconsin association.

N. W. National New Policy Combines Protection, Saving

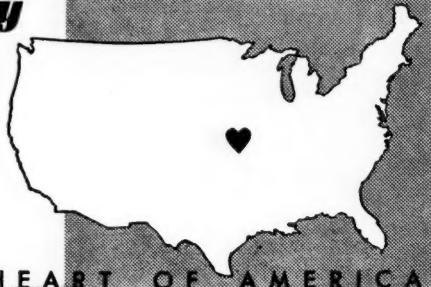
Northwestern National Life has just introduced a new model whole life non-participating contract combining protection and savings, with a very low guaranteed net cost.

The new policy, known as "Plan W", is issued at all ages from 0 to 60. Up to age 50, the initial premium is continued for 20 years, after which it drops to a guaranteed low rate of about 40% of the initial premium. Ages 51 to 60 pay the initial premium for 10 years, after which it reduces to a very low guaranteed rate for life.

A built-in premium deposit fund for the life of the contract permits extra deposits in any one year ranging from a \$10 minimum up to 10% of the face amount of the policy. A policyowner may accumulate up to twice the face amount of the policy during the life of the contract. He may combine his premium deposit funds and cash values to pay up his policy after the 10th year; mature his policy in cash; or surrender his policy at an early date and use the resulting sum under the settlement options for a retirement income.

Under the family protection provision, the death benefit may be increased by as much as 300% by a policyowner during his insurable years whenever the need arises.

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Our insurance in force now totals more than One Billion Dollars and we specialize exclusively in ordinary, non-participating business—no group, no industrial, no health and accident, no re-insurance.

KANSAS CITY LIFE INSURANCE
COMPANY

AGENCIES IN 39 STATES AND THE DISTRICT OF COLUMBIA

Life Insurers Need More Call-Price Protection: Gerard

The desire of life companies to protect their current acquisitions from the ravages of another tidal wave of refunding is as natural as eating and as proper as going to church, Victor B. Gerard told the Financial Section of the American Life Convention at its rally in Chicago. The time has come, he said, to reappraise the whole subject of call-price protection.



Victor B. Gerard

"If we invest our money on a long-term basis," he said, "we believe it is only fair that it also be invested on a reasonably long-term basis so far as the borrower is concerned."

Mr. Gerard, who is treasurer of Commonwealth Life and 1952-53 chairman of the Financial Section, asked whether government agencies like the federal power commission and the securities and exchange commission should officially discourage or even prevent insurance companies from lending money to utilities because a non-callable feature is inserted in bond indentures.

"Perhaps in trying to see that utilities raise their capital economically," Mr. Gerard said, "the SEC is ignoring one of the original purposes for which it was established, to protect investors. The institution of life insurance is not seeking protection or asking favors but it does not seem inappropriate to point out that call features benefit only the issuer and are detrimental to the interests of the investor. Must institutions be required to lend their money for a long term of years, but have their loan always in danger of being retired at the sole option of the borrower with a penalty of less than one year's interest?"

Mr. Gerard said those insurance companies that lend a great portion of their accumulations through the medium of direct placements are able, or at least have been able in the recent past, to protect themselves against possible refundings at lower interest rates by demanding appropriate indenture protection. Other companies which may not have the same opportunities in the direct placement field have virtually no other choice than to meet the market on new issues.

"The investment banker can hardly be expected to provide merchandise that his market does not clearly demand," Mr. Gerard said. "Besides, a low call-price feature may very well redound to his benefit. In a period when there are fewer capital flotations, and when interest rates would presumably be lower, he may be able to keep active by refunding the bonds being sold today. We much understand that in this particular area his interests seem diametrically opposed to ours. Yet it is perhaps also true that because of his failure to provide adequately against call, he has stimulated the interest of life companies in direct placements and may possibly have aroused the curiosity of other long-term investors in this medium."

"The substantial bond buyer is hard-

ly visionary enough to seek a return to the halcyon days of completely non-callable bonds. Adequate provision should, of course, be made for the retirement of debt through mandatory sinking funds at prices carrying little, if any, premium over amortized cost so corporations will be enabled and encouraged to make arrangements to pay off their obligations in a systematic manner. Perhaps even supplementary sinking funds, based on an earnings formula, should also be added. Not to make provision for the orderly retirement of debt would be financial folly,

as the receiverships of the thirties of so many once prosperous corporations so eloquently attest."

Attorney Talks to Claim Men

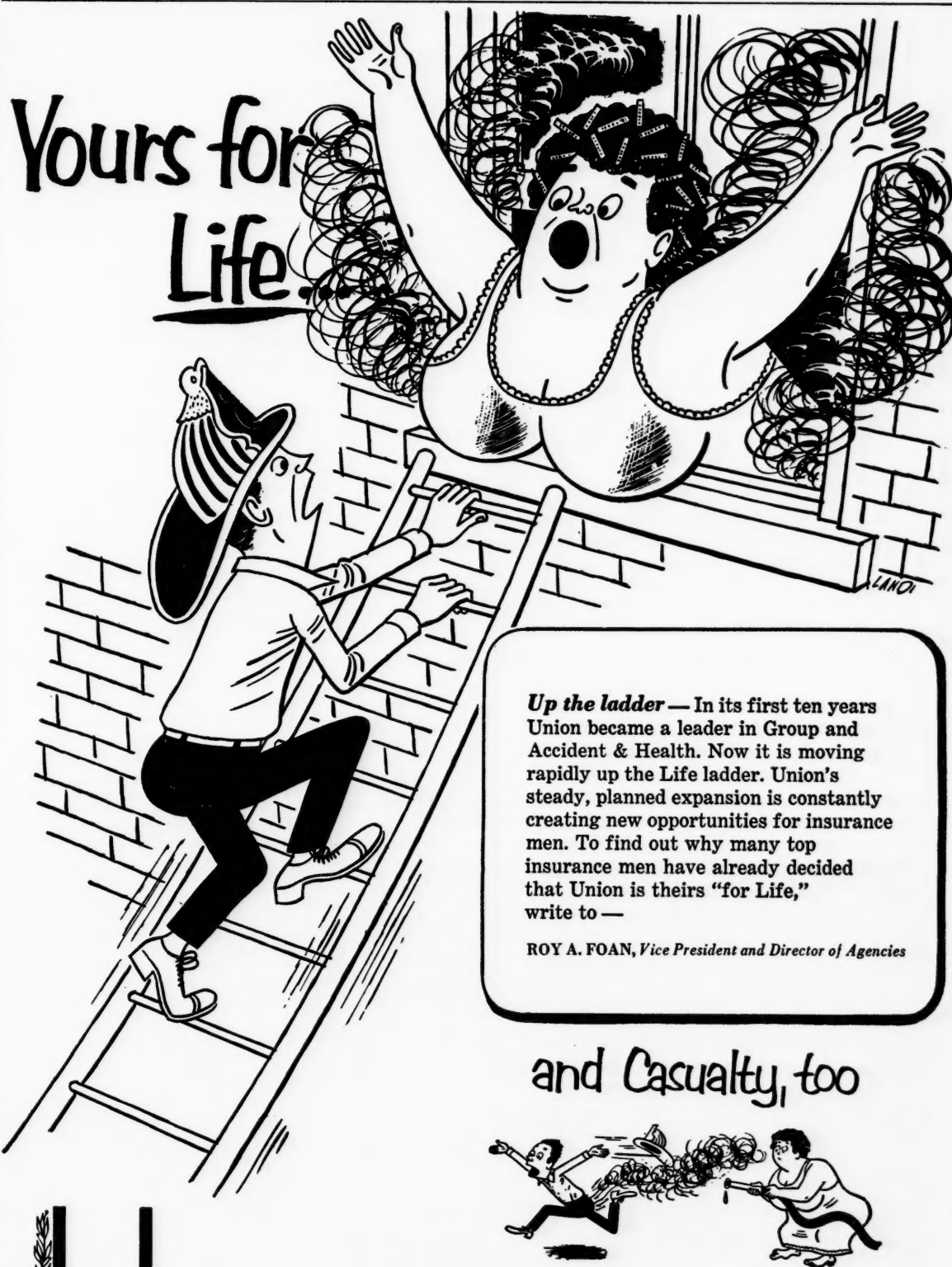
Frank R. Peregrine, Chicago attorney, addressed the Oct. 14 meeting of Chicago Claim Assn. on "Medical-Legal Aspects of Claim Administration." This was the first meeting of the season for the claim people.

• Professional & Business Men's Life of Denver has applied for a license in California.

Muhl North Central V. P.

William H. Muhl has been named vice-president in charge of the credit insurance division of North Central Life, St. Paul.

He has been in insurance work 16 years and has advanced through every phase of North Central's agency department. Starting as an agent, he successively became general agent, state manager for Nebraska, and was then called in to the home office to work with all company agencies in a supervisory capacity. For the past two years he has headed the credit insurance division.



Up the ladder — In its first ten years Union became a leader in Group and Accident & Health. Now it is moving rapidly up the Life ladder. Union's steady, planned expansion is constantly creating new opportunities for insurance men. To find out why many top insurance men have already decided that Union is theirs "for Life," write to —

ROY A. FOAN, Vice President and Director of Agencies

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Today, National Reserve Life, a \$145,000,000 organization is likewise racing steadily ahead in the rich area west of the Mississippi, "where the spirit of the pioneer still prevails"—and there are unlimited opportunities open to men of General Agency qualifications with our progressive company.

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S. H. WITMER, Chm. of the Board
H. O. CHAPMAN, Pres.

Write W. E. Moore,
Agcy. V.P.,
Agcy. Hq., Topeka

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Purely Mutual Operation
Over Half Century Service
Highest Possible Rating
Very Low Net Cost
Growth ... 50% in 6 years
\$365,000,000. Insurance
\$123,000,000. Assets
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NEW HOME OFFICE UNDER CONSTRUCTION

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Ideal midwestern location

Life Underwriters and General Agency minded men Both
like "ONE OF THE BEST" FOR A BETTER FUTURE.

CENTRAL LIFE ASSURANCE COMPANY • DES MOINES, IOWA

**Let Competition
Rule FHA Rates,
E. A. Camp, Jr., Urges**

Rates for FHA mortgages need to be set somewhat above the going rate and competition allowed to govern the rate in any section of the country or in the smaller towns where the expense of negotiating and servicing loans is high and the volume is small, Ehney A. Camp, Jr., told the Financial Section of the American Life



E. A. Camp, Jr.

Convention at its meeting in Chicago. Mr. Camp is vice-president and treasurer of Liberty National Life.

"We have a real responsibility to take a firm stand to influence government policy to the end that the FHA may be placed on the right track and kept here," said Mr. Camp. "The same holds true for the VA as long as it remains in the private mortgage field.

"My first thought is that we should urge the return of the FHA to a simplified form of mortgage insurance with only two sections, one for individual homes and the other for rental projects and that its operations in both of these sections be guided by those principles as all understood them to be in the very beginning."

Mr. Camp complained that at the very time steps have been taken to halt inflation, "we have seen the reduction by the FHA in down payment requirements and the lengthening of maturities." He said the federal reserve board should be given some authority to regulate down payments and loan maturities on government guaranteed loans so that the volume of new housing and housing credit may be definitely related to the degree of inflation or deflation existing in the economy at any particular time.

App-a-Week Record Honor

The Wisconsin State Medical Society is considering the addition of catastrophic insurance coverage to the present Blue Shield medical insurance plan, it was revealed at the annual convention at Milwaukee. The program is in the process of actual development and will probably be instituted in 1954 after approval by the Medical Society Council. Another plan under consideration is the extension of Blue Shield by community enrollment for many people now ineligible for group insurance.

Sets App-a-Week Record

Ben Goldish of Northwestern National Life at Duluth has completed 30 consecutive years of membership in the company's App-A-Week Club. He was guest of honor at a testimonial luncheon at Duluth with R. E. Habermann, outstate manager of the White & Odell agency, and Luther F. Gunberg, manager at Duluth, presiding.

Mr. Goldish will also complete at the end of this year 30 consecutive years of qualification for Northwestern National's honor roll, another all-time high for the company.

• Union Life of Richmond is planning a second district office in that city with Emory L. Thomas as manager.

• Orville S. Logsdon has been appointed agency supervisor for State Mutual Life at Dayton. Mr. Logsdon, an army air corps veteran, has been in the business since 1945.

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THE BOURSE

PHILADELPHIA

Urges Support for U. S. Bonds Even If It Shaves Interest

The life insurance business should participate liberally in the purchase



O. Kelley Anderson

of new Treasury offerings that meet its requirements, "even though such participation may reduce our overall rate of earnings by a very slight fraction," said President O. Kelley Anderson of New England Mutual Life at the meeting of the

American Life Convention's Financial Section in Chicago.

"In the long run, a disorganized bond market, particularly when it extends to government bonds, is good for no one," he said. "It may present an opportunity temporarily for a few lucky purchases at bargain prices, but that should cause satisfaction only to those who are unable to look beyond their noses. We who believe in a sound dollar, and we who are trying to serve our policyholders' best interests, must assist in seeing to it that there is no repetition of such a situation."

"What I am suggesting is that we should do our share, perhaps more than our share, in supporting the Treasury's program of obtaining an honest dollar by recovering from past inflationary practices."

"Monetary management tends to be a one-way affair because it never can be completely removed from the influence of politics," Mr. Anderson said. "It is all the more important, therefore, that responsibility for executing a sound monetary policy should not rest entirely with the Treasury or the federal reserve. This should be shared by private enterprises dedicated to the public welfare. We should not fear giving full and enthusiastic support to the Treasury's policy merely because some prophets of doom tell us that modern credit restriction and higher interest rates will bring on a business depression."

300 Participate in Institute Program for Educators

The school systems of New York, Chicago and Lansing are now "teaching their teachers" about insurance and other phases of family finance, Institute of Life Insurance reports. More than 300 teachers are participating in these programs and other communities are expected to follow suit later this year.

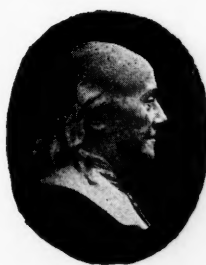
The program is a result of the activities of the committee on family financial security education, a group of educators formed in 1947 with the cooperation of the institute.

This in-service training, for which credit is given during the school year, prepares school teachers to present insurance and related material to their own students. Experts from many business fields will address the classes in their respective cities.

Representing life insurance in New York during the coming year will be R. Wilfred Kelsey and Edward B. Burr, Institute of Life Insurance, and Richard J. Eales, Life Insurance Assn. of America; Chicago representatives will be Leo D. Cavanaugh, president of Federal Life; Earl M. Schwemm of Great-West Life, and William T. Beadles, dean of Illinois Wesleyan university.

and now New Jersey...

We are pleased to announce the completion of our expansion program with entrance into New Jersey...and are now prepared to negotiate valuable General Agency franchises in the key cities of this important state.



The Friendly FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS
DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

More than a Billion Four Hundred Fifty Million Dollars of Insurance in Force

OUR AREA OF OPERATIONS NOW EMBRACES 47 STATES, THE DISTRICT OF COLUMBIA, AND THE TERRITORIES OF HAWAII AND ALASKA

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IT WILL PAY YOU TO CHECK OUR FACTS AND FIGURES.

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• Honolulu • Lansing • Los Angeles • Newark • Philadelphia
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Also licensed in the Dist. of Columbia, Arizona, Delaware, Idaho and Virginia.

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THE MANUFACTURERS LIFE

1903 • 50 YEARS IN THE UNITED STATES • 1953

List Winners of Promotional Material, Advertising Awards at L. A. A. Convention

1. Material to Motivate Agents
Bankers of Nebraska, Berkshire, Confederation, Connecticut General, Continental Assurance, Dominion, Home Security, Mutual Ser-

vice, New York Life, Phoenix Mutual, Southland, State Mutual, United Benefit, Woodmen Central.

2. Sales Aids

Berkshire, Connecticut Mutual, Dominion, Equitable of Iowa, General American, Great-West Life, Jefferson Standard, Massachusetts Mutual, Metropolitan, Penn Mutual, Provident Mutual, Sun (Baltimore), Union Mutual.

3. Prestige and Good Will

Empire Life, Great-West, Phoenix Mutual, Provident Mutual, Mutual Benefit Life, Mutual of Canada, Travelers.

4. Recruiting Material

General American, Massachusetts Mutual, Occidental, Cal., Ohio National, Old Line Life.

5. Direct Mail

California-Western States, Equitable of Iowa, Mutual Benefit, Pilot Life, Provident Mutual, Union Central.

6. Wall Calendars

Excelsior, National Life of Vermont, New York Life, Northwestern Mutual, Old Line Life, Provident Mutual, Travelers.

7. Greeting Cards

Massachusetts Mutual, National Life of Vermont, New England Mutual, Occidental, Cal.

8. Annual Reports

Connecticut Mutual, Fidelity Life (Illinois), Guardian, John Hancock, Life of Virginia, Mutual Service, New England Mutual, New York Life, Occidental, Cal., Ohio National, Pan-American, Prudential, Southland.

9. Policyholder Material

Fidelity Life (Illinois), Mutual of New York, National of Vermont, Occidental, Cal.

10. Brokerage Material

Bankers of Nebraska, Massachusetts Mutual, Mutual Benefit Life, Paul Revere, Postal, Prudential.

11. Field Magazines

Atlantic, Fidelity Mutual, Life of Georgia, Liberty Life, Metropolitan, New England Mutual, Provident Mutual, Prudential, Travelers, Union Central, Washington National.

12. Employee Relations

Liberty Life, Manufacturers, Massachusetts Mutual, Metropolitan, Prudential.

13. National Advertising

John Hancock, Massachusetts Mutual, New York Life, Security Mutual, Travelers.

14. Newspaper Advertising

Excelsior, Liberty Life, London Life, Northwestern Mutual, Prudential, Union Mutual.

15. Trade Journal Advertising

Mutual of New York, New England Mutual, Pacific Mutual, Paul Revere, Provident Mutual, Prudential, Security Mutual, Southland, Union Casualty & Life, Union Central.

16. Public Relations

New York Life, Travelers.

17. Group Coverages

Equitable Society, Great-West, Massachusetts Mutual, New York Life, Security Mutual.

18. Personal A & H

Atlantic, New York Life, Paul Revere, Provident Mutual.

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OUR GENERAL AGENT
L. A. WOOD
Springfield, Missouri



Since 1927 General Agent L. A. Wood and his associates have made, and still are making, thousands of loyal friends and policyowners for The Ohio National. Through the years he has developed many competent and successful field representatives while building one of our top-ranking general agencies. At the same time he has set a fine example for his associates by consistently qualifying for the ONLI Honor Clubs. With 1270 consecutive weeks of personal production to his credit, Mr. Wood is also the leading member of The Ohio National App-A-Week Club.

**THE OHIO NATIONAL
LIFE INSURANCE CO.**
Cincinnati



"DECADE OF FAITH"

Woodmen have outstandingly kept faith with the aim of the Society's founders to disseminate fraternal teachings, protect the home and dependents.

In his report to the recent national convention, President Farrar Newberry recounted thousands of fraternal and civic services performed during the past "Decade of Faith." He also reported net gains of 100,940 members and \$185 million in insurance in force. The Society, he declared, is now on the threshold of expansion unequalled in its history.

WOODMEN OF THE WORLD
LIFE INSURANCE SOCIETY

Omaha, Nebraska

Cheek to Go With Independence Life, Air Trip Insurer

RALEIGH, N. C.—Commissioner Cheek's new job will be with Independence Life of Charlotte, N. C., it has been confirmed by both Cheek and the company.

The company, which was recently reorganized, now specializes in air line insurance handled through coin-operated machines in air terminals throughout the United States and also sells funeral insurance. L. Morris McEwen, one of the company's organizers in 1946, said Mr. Cheek would figure prominently in the company's plans for future expansion in new lines of insurance.

Mr. Cheek said he would join the company as soon as a new commissioner is named by Governor Umstead. There are reports the job has been offered to State Senator John D. Larkins, Jr., of Trenton but this has not yet been confirmed.

Mr. Cheek was in the insurance business at Asheboro before being appointed commissioner.

Group Talk at Buffalo

Allison S. Beebe, vice-president and manager of group sales for Paul Revere Life, addressed the October meeting of Western New York A. & H.

Assn. at Buffalo, on the subject of "Earning Extra Dollars Through Group Sales."



OUR POLICYHOLDERS APPROVE

Employee and employer . . . those in the professions . . . in business . . . the entertainment field . . . all recognize and endorse the excellent insurance services of The Union Labor Life Insurance Company. Our insureds are aware that their guaranteed future financial safeguard can be found in the insurance plans we write for them.

We are proud of the many prominent Americans who are numbered among our insureds. They join with all our policyholders in providing an excellent endorsement of the soundness and security of our life insurance contracts. Their approval is demonstrated by the continued trust and confidence they have placed in our insurance counsel.

Day by day our family of policyholders increases at a record rate as they subscribe to the one certain way of gaining their fair share of financial security.

Security and Service for all

**THE UNION LABOR
Life Insurance Company**
New York City 21
Matthew Woll, President

THE UNITY LIFE & ACCIDENT INSURANCE ASSOCIATION

*Insures
The Whole Family*

Unity agents are equipped to serve every need for personal insurance. Juvenile policies our specialty.

E. R. DEMING
President

L. J. BAYLEY
Secretary

HOME OFFICE — SYRACUSE, N. Y.

Many Phases of A. & H. Business Given Treatment at Bureau's Quebec Meeting

Clarence J. Myers, president of New York Life, in addressing the opening session of Bureau of A. & H. Underwriters at Quebec, declared that opportunities for further progress in the A. & H. business lie in five main areas—training of agents, public relations in handling claims, broadening coverage, cutting expenses, and developing a formal public relations program.

Agents need only a moderate amount of training in order to sell a satisfactory volume of A. & H., but Mr. Myers said they need much more training to sell in a manner that lays a sound foundation for future sales. Policy provisions are not easy for the buyer to understand, and misunderstandings can easily lead to disappointments. These accumulate, resentment is built up, damaging the reputation of the company and the whole insurance business.

A portion of each dollar spent on selecting and training field men should, therefore, be regarded as an investment that will yield future dividends in public acceptance and good will, he said. "We need agents more than just salesmen. We need agents that make sure that their clients get just what they need and understand what they get."

Another area of opportunity is in avoiding mishandling of claims, Mr. Myers went on. Benefits are conditional on a host of circumstances which impose a great responsibility on the claims department. The department has to be staffed with competent personnel who recognize the importance of a public-relations function.

Another chance for progress lies in broadening the scope of protection in the policies. There has been much criticism on this score, mostly based on misunderstanding of the practical problems involved, but Mr. Myers said the companies perhaps have not been as clear as they should about their objective. Not only should the objective be made clear, but it should be as broad as possible.

"The A. & H. business cannot retain the public's confidence with policies that seem to the public to be full of tricky exceptions, exclusions, limitations, waivers and loopholes," he said.

"We must decide, among other things, whether comprehensive protection of retired people, or of the aged population generally, lies within our province. We must move forward as rapidly as possible with so-called major medical, or catastrophic expense coverage, so as to convince the public of our ability to deal with this problem."

In a business where less than half of premium dollars goes back to the policyholders, Mr. Myers said there is a great exposure to criticism. Some progress has been made by means of deductible clauses, waiting periods and other devices to eliminate nuisance claims and some feel that it is impractical to go further in this direction. However, when an objective appears urgent enough, practicality is often found to be a relative matter, and inventiveness is stimulated, he said.

The matter of public relations, if the other matters are handled successfully, will largely take care of itself, although Mr. Myers said attention should constantly be given to the formal side of public relations, to the

cultivation of understanding and good will through advertising and publicity.

FINANCING MEDICAL CARE

An excellent paper on "The Evolving Concept of Financing Medical Care" was delivered by Stefan Hansen of Great-West Life, who said the American concept has already in large measure, and still is, evolving toward voluntary medical care insurance in place of any form of national health insurance, although this trend will not continue unless the new basic concept of financing itself evolves through better forms.

Through intelligent tax relief on employer payments for medical care insurance, the government has given practical and effective financial assistance to the insurance companies, and this has made a positive contribution to the remarkable growth of medical care in the U. S. and Canada, Mr. Hansen said. He went on to remark that this type of support is a wiser and

better approach than the socialized medicine policy of European governments.

Nearly 100 million persons in the U. S. and Canada are covered with hospitalization coverage, but if this is all cancelled overnight, even with its frills and idiosyncracies and its defects, and replaced with a uniform compulsory government plan, he predicted it would destroy the government that tried it. He cited the introduction in two Canadian provinces of compulsory hospitalization coverage. In Saskatchewan, where there was little private insurance sold, the plan went over well, but in British Columbia, where Blue Cross and the companies had made a good start, the government was thrown out of office. However, the plan continues as a political embarrassment for the new administration, and it seems doubtful that such a plan, once started, can ever be discontinued.

The superiority of the competitive voluntary system will manifest itself most pronouncedly in the quality of medical care, Mr. Hansen said.

He criticized the Blue Cross, saying it is predicated upon objectionable principles, in which the insurer is also

the beneficiary. However, there is little danger to the public in this identity of interests so long as there is effective competition from the private companies to force a standard of performance.

HITS AT REGULATION

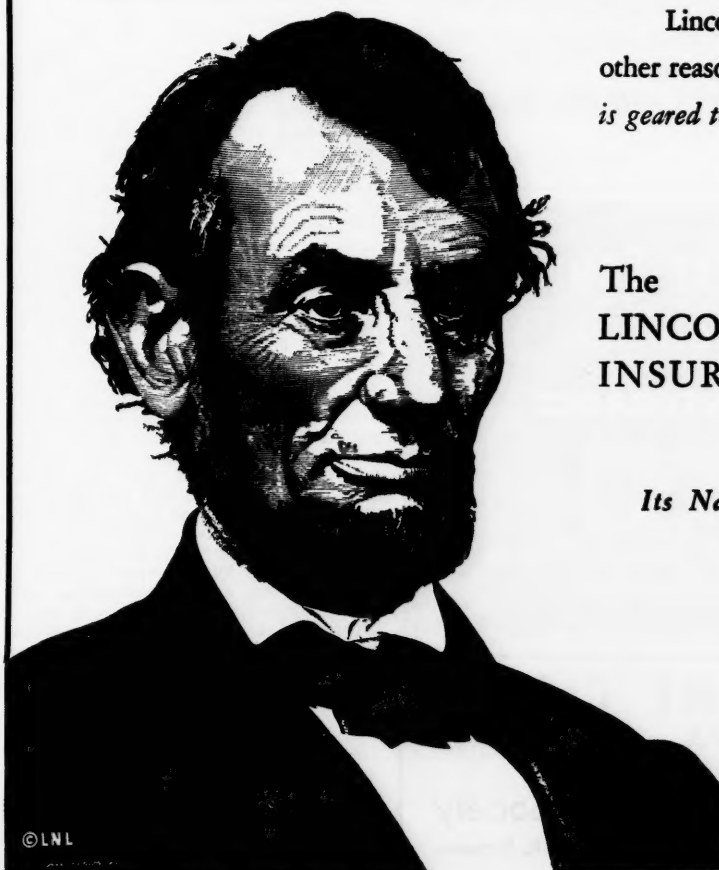
Berkeley Cox of Aetna Life, in a discussion of the N.A.I.C. recommended bill which is now in about a dozen states and calls for disapproval of A. & H. policy forms if the benefits are unreasonable in relation to premiums charged, noted that premiums for basic accident coverages have remained fairly constant over a long period of years, although loss ratios have fluctuated. Economic conditions have a marked effect on loss experience, and Mr. Cox said if the present high level of employment should be reduced, the slow increase in the loss ratio would probably increase. To sell an improved product with no increase in price during an inflationary period is no mean accomplishment, Mr. Cox remarked. "If it has been made possible by favorable claim experience, let us hope that continues," he added, pointing out that

(CONTINUED ON PAGE 21)

Making Money With The Money Plan

Lincoln National agents throughout the land have increased their earnings with the LNL Money Plan. This simplified programming technique in package form is built around a visual approach and presentation which gets results.

Lincoln National's Money Plan is another reason for our proud claim that LNL is geared to help its field men.



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Fort Wayne 1, Indiana

Its Name Indicates Its Character

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New policies?

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FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society

JOSEPH SPENCER, President

L. D. LININGER, Secretary

SHARON, PA.

Okla. Hobbled by Ambiguity; Dickey for Recodification

Commissioner Dickey of Oklahoma has emphasized the need for a complete recodification of the state's insurance laws in his annual report.

Existing statutes, because of their general antiquity, piecemeal amendments and questionable interpretation, present difficult problems of construction for the department and the industry and in several respects are prejudicial to the buying public, Mr. Dickey declared.

"Continued piecemeal legislation, though directed to the accomplishment of valid and worthwhile aims, will continue to increase the ambiguity and conflict with which the statutes are now rife. In my opinion a complete recodification is the only effective means of adequately serving the public interest," he said.

He recommended that a regular and thorough analysis be made of the annual financial statements filed by all companies with his department and that appropriation be increased to permit employment of qualified technical personnel for this purpose.

He announced that within the last seven years, total insurance premiums in Oklahoma have increased 134%; taxes and fees from insurance companies have increased 130%; licenses issued to companies of other states, 45%; licenses to domestic companies, 38%, and number of agents licensed, 84%.

In addition, domestic companies organized within this period show an 800% increase and the number of companies from other states admitted, 522%, he reported.

Chicago Selection Men Hear Talk on Juvenile

The simplest, safest way is to say "no" in dealing with a sub-standard juvenile risk, but this is not doing a service to the client and agent, Dr. Clifton L. Reeder, medical director of Continental Assurance, told the Chicago Home Office Assn. of Life Underwriters at its recent meeting.

"As a service, however, everything should be done to qualify these risks, even at a rate," Dr. Reeder added. He pointed out that most babies born today are born in hospitals and they and their mothers are under the immediate eye of competent pediatricians and obstetricians. In this way a good many impairments are picked up at once which were previously missed. Also, more thorough examination and care of the mothers leads to a quicker detection of possible congenital maladies. Dr. Reeder said that with careful checking at birth today an unusual number of heart murmurs, spinal maladies, RH factor, etc. are being picked up early. He told the selection men that the bulk of infant mortality occurs the first day of birth, and that the same is true of premature birth, with a slightly longer period of hazard. He said that some companies still have a somewhat loose policy in infant underwriting and while this was not too important when the policies were graded, much better selection is needed today.

Asthma can be outgrown and also allergies. Most children survive them and survive them intact, the speaker said. He added that 50% recover from rheumatic fever with no permanent damage, and also from scarlet fever and acute nephritis.

Turning to the question of heart murmurs, Dr. Reeder said he considers

fluoroscope and x-ray to determine the heart size of children a necessity, since a cardiogram will not always show a too true picture with children. As to heart lesions, he said experience only will tell and that some are absolutely curable and can be accepted without qualifications or reservations after surgery. He also described other heart defects which can be cured by surgery.

Dr. Reeder concluded it is too drastic to refuse children cover and there is an obligation to review the problems. He suggested an increase in premium, and when 20-pay life is requested, to ask for endowment, which is relatively little risk and rather easily sold, but does provide insurance. He advised extremely careful weighing of all cases where large sums are sought and to keep speculation out of any risk.

Sellers to Quad City

Lloyd H. Sellers, home office field supervisor for Fidelity Life Assn. of Fulton, Ill., has been named field supervisor for the Quad-City area of Moline, East Moline, Rock Island and Davenport, Ia. His headquarters will be in the Fifth Avenue building, Moline. Before going with Fidelity, Mr. Sellers was with Metropolitan Life Assn. at Rock Island.



Lloyd H. Sellers
Fidelity Life Assn.

Continental Can., Lowers Rates

Continental Life of Canada has decreased its rates for single premium policies. Single premium forms issued are life, endowments at ages 65 and 60 and 25, 20, 15 and 10 year endowments.



SALES POWER

Our new rate book contains a wide variety of juvenile and adult policies available to meet any personal, educational, business, estate clearance or retirement need from age 0 to 75. We are particularly proud of our new, forward-looking juvenile features: exclusive new policies developed from 35 years of experience in juvenile insurance—full benefit even if issued at age 0; dismemberment and fracture and double indemnity for accidental death from birth, representing major advances in this lucrative field.

Some open territories in Illinois, Iowa, Michigan and Wisconsin.

Direct inquiries, in confidence, to

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Recession 'Benefits' Listed by Brower at Occidental Rally

There is no financial recession on the horizon, but even if there were, there are several ways in which the life insurance man can benefit, Horace W. Brower, president of Occidental Life of California, told his company's eastern and midwestern U. S. and Canadian agencies regional convention at Chicago.



Horace W. Brower

One of the very first things that would happen if there were any considerable recession is a shrinking in the value of estates, Mr. Brower pointed out. "Some mighty fine individual estates have been built during the prosperity of the last 15 years. A depression would affect them in two ways. First it would cut their capital value. Our people don't easily give up high standards once set. That fact would provide a new type of replacement market in a depression. If a man's estate once worth \$100,000 has shrunk in value to \$50,000, there is only one way it can be restored right now by one pen stroke. There is only one person who can make that sale—the life insurance man."

The ability of estates to produce income would be restricted by a depression, and only life insurance can restore that income by replacing reduced income values, Mr. Brower said.

The man who formerly wanted his money invested in forms that could appreciate with the market, and looked upon life insurance for protection only, would find that dollars in a life insurance policy look pretty good when the return of his money, and not the return on his money, is at stake, he said.

Margins for the investment portion of life insurance would be cut, probably resulting in a decrease in the sales of high premium plans, but there would be an increased demand for lower premium plans, he declared. Furthermore, business in any recession becomes more tenacious of its management brains, putting a bigger demand on their protection, which keyman insurance can provide.

Turning to the life insurance picture today, Mr. Brower said that the business has reached the highest point of acceptance since its origin. The per family ownership of life insurance has increased more than 100% since the great depression—from \$2,600 in 1932 to \$5,400 in 1952. "For the great majority of our people it is a bottom dollar proposition."

"Close Pins," a book of 300 "power phrases" to help the agent close his sale, has been published by the company and is now available, it was announced at the meeting. The book has been prepared under the direction of Lester S. Roscoe, director of field training.

Another booklet, "Your Partner Can Ruin You," has been designed to acquaint business men with partnership insurance. Prepared after five years of field testing and revision by General Agent D. R. Tolman, Santa Barbara, Cal., this sales aid is the first in a series of kits dealing with business insurance to be issued by the company.

A new group plan introduced pays time loss benefits in the event of death, disability and dismemberment. Designed for 10 or more employees, the "3-D" group plan waives evidence of insurability, and contains no pre-existing clauses, or previous inception clause.

Time loss benefits, covering both confining and non-confining illness, are available under three schedules. Employees earning less than \$60 a week may receive, commencing with the first day of coverage for accident and the eighth day for sickness disability, \$20 a week for a maximum of 26 weeks, or \$25 weekly up to a maximum of 13 weeks.

For employees earning \$60 or more each week, \$30 a week is payable up to 26 weeks, or \$35 for 13 weeks, or \$25 a week for 13 weeks, depending on the benefits desired.

A \$1,000 accidental death benefit and \$1,000 dismemberment benefit is also incorporated into the plan, which requires an enrollment of 75% of the eligible employees. The employer must contribute not less than 50% of the premium.

The company also has liberalized its term conversion commission schedule. Full first year commissions are now available on term to 70 and term to 65 permanent plans less 15% of the original term premium when these two plans are converted after having been in force less than five years. Where these plans have been in force for more than five years, Occidental agents will continue to receive full first year commissions on the converted plans.

Three representatives who achieved 10 or 20-year memberships in the company's App-A-Week club received engraved bronze plaques.

Winners were Robert C. Fyke, Los Angeles, who wrote at least one application a week for 1,040 consecutive weeks or 20 years; and General Agents Wayne Vickers, Eureka, Cal., and Philip S. Kline, North Hollywood, Cal., who received 10-year awards.

Myer Agency Leads Mutual, N. Y.

The Richard E. Myer agency of Mutual Life at New York led the company's agencies in the country in volume and number of policies sold during the first nine months of 1953.

Paul Revere Has New Plan for Standard, Substandard

Paul Revere Life has announced the "Paul Revere Special" life plan, \$10,000 minimum, issued to all classes of standard and substandard risks up to 500% mortality. Family income and supplementary riders may be added.

The guaranteed low net cost plan, available to both males and females, ages 10-70, can be written non-medically on male risks and single or self-supporting females up to age 35.

Texas Prudential Changes

Texas Prudential has appointed C. N. Stewart and W. P. Whaley general agents at Dallas.

Mr. Stewart has been manager at Dallas for eight years. Mr. Whaley has been in the business in the Dallas area for 20 years.

Dr. R. S. Patterson Retires

Dr. Raymond S. Patterson has retired as director of John Hancock's life conservation service, which he has been in charge of since it began operations in 1928.



EVERY MEMBER of the FAMILY

The bulk of the protection should be on the life of the
income-producer of the family, of course.

But the uncertainty of the future applies to every mem-
ber of the family, and the death of any one of them brings
an economic shock greater today than ever before.

We have always offered Life Insurance on every member
of the family, including the baby.

The NATIONAL LIFE and ACCIDENT Insurance Company

INCORPORATED

Home Office: NASHVILLE, TENNESSEE

Gray Is General Agent for Fidelity Mutual Life

Fidelity Mutual Life has appointed E. Dee Gray general agent in its newly established Denver agency. He began in life insurance in Denver in 1949 and has had managerial experience there and in Idaho. Mr. Gray is a three-year navy veteran of world war II.

Illinois Agents Mid-Year Program Is Readied

The agenda now has been arranged for the mid-year meeting of Illinois Life Underwriters Assn., to be held at Peoria, Oct. 30 and for the Peoria Sales Congress the following day.

In connection with the agents' meeting, there will be gatherings of the General Agents & Managers Conference and Illinois Round Table. Speakers at the Friday sessions will be Frederick A. Schnell, vice-president of Prudential; Gordon McKinney, administrative vice-president of Jefferson National, and Robert C. Gilmore, Jr., Mutual Benefit Life, Bridgeport, Conn., president of N.A.L.U.

Addressing the sales congress will be Messrs. Schnell and Gilmore, Dr. Allen A. Stockdale, National Assn. of

Manufacturers, and O. Alfred Granum, Northwestern Mutual Life, Amery, Wis. There also will be a sales panel led by James F. Truman, Massachusetts Mutual, Chicago. Members, all Illinoisans, will be Helen C. Brown, Mutual Benefit Life, Danville; Nathan H. Weiss, Mutual Life, Chicago; Thomas Ruane, Massachusetts Mutual, Chicago, and Walter O. Richard, John Hancock, Springfield.

L. W. Crook to Home Office

Lowry W. Crook has been appointed to the home office of Great American Reserve as assistant to the agency director. He has been manager at Shreveport.

Fla. School Procedure O.K.

As a result of a question raised by the attorney for Classroom Teachers Assn. of Duval county, Attorney General Ervin of Florida rules that the method used for handling group insurance on school children in Duval county does not violate the agent or adjuster laws. The teachers collect the premiums and the school principal or superintendent turns them over to the insurer. Claims also are handled by the principal or superintendent.

Conklin Is Head of ALC Financial Unit; Succeeds Gerard

Morning and afternoon sessions of the financial section of American Life convention last Friday concluded the convention's annual four-day meeting at Chicago. Under the chairmanship of Victor B. Gerard, treasurer and manager, bond department of Common-



George T. Conklin, Jr., (left), 2nd vice-president of Guardian Life, who was elected chairman of the A.L.C. Financial Section at the annual meeting in Chicago, succeeding Victor B. Gerard, treasurer and manager bond department of Commonwealth Life.

wealth Life, the section had one of the largest and most successful meetings ever. There was a full house at every session, including the luncheon at which the speaker was Prescott Bush, U. S. Senator from Connecticut.

After Mr. Gerard's opening remarks, the financial men heard O. Kelley Anderson, president of New England Mutual Life on "The Life Company Investment Officer—His Obligation in the Nation's Economy"; and "Mortgages—What of the Next 20 Years?" by Ehney A. Camp, Jr., vice-president and treasurer of Liberty National Life. Also, "Free Enterprise—A Two-Way Street," by William F. Edwards, dean of college of commerce, Brigham Young University.

Following the luncheon, W. Randolph Burgess, deputy secretary of the U. S. Treasury, spoke on "Sound Money and Debt Management." W. N. Mitchell, partner, A. T. Kearney & Co., management consultants, Chicago, was the concluding speaker, with "Handling a Deteriorating Industrial Situation."

Financial section speeches are reported elsewhere in this issue.

The new section officers were elected at a brief business meeting following the speaking program. Succeeding Mr. Gerard as chairman is George T. Conklin, Jr., 2nd vice-president of Guardian Life; vice-chairman is J. H. Windsor, financial vice-president of Equitable Life of Iowa, former section secretary. The new secretary is Henry H. Edmiston, vice-president of Kansas City Life.

In closing the annual meeting, T. A. Sick, retiring A.L.C. president, president of Security Mutual Life, turned over the gavel to the new president, Ralph R. Lounsbury of Bankers National Life of New Jersey after introducing Mrs. Lounsbury from the floor. He also presented Mrs. Sick with the traditional bouquet of roses when she was escorted to the speaker's platform

by S. J. Hay, president of Great National Life and a former president of A.L.C.

Poulsen Ins. Co. New Ill. A. & H. Insurer

Poulsen Ins. Co. of America has been licensed as a life insurance company in Illinois, but to engage in A. & H. business. The main personality in this undertaking is George H. Poulsen and he will be the president. The capital consists of 10,000 shares of \$10 par value and the net surplus at the outset is \$62,000. Headquarters are at 69 West Washington street, Chicago. At first the company will operate in Illinois only, Mr. Poulsen said, but eventually it will go on a nationwide basis.

Mr. Poulsen started in the insurance business by opening a general agency at South Bend in 1927. In 1939, he established a life insurance general agency at Toledo where he now resides and was later expanded to include other lines of insurance. He has done a good deal of pioneering in surgical and medical care plans. In 1946, he opened an office in Illinois which he now says has more than one million persons insured. A year ago he organized Poulsen General Agency in Chicago to develop lines other than A. & H. He has offices at Milwaukee, Indianapolis, South Bend and Fort Wayne, Sioux Falls, Peoria and Joliet, as well as Toledo.

American Bankers Posts to Hewitt, Cash, Wolfarth

American Bankers Life of Florida has named two supervising general agents, Ralph C. Hewitt in South Carolina and Kelsey D. Cash in Georgia.

In addition, William M. Wolfarth, Miami city commissioner, who until recently was mayor, has been elected president of All American agency at Miami, the company's Florida supervising general agency.

Operating as a partnership, Messrs. Hewitt and Cash will have their offices at Florence, S. C., and Thomson, Ga., respectively. A brokerage office also will be opened at Atlanta. Mr. Hewitt for several years has operated a general insurance agency at Florence. He is a former president of Florence Assn. of Life Underwriters and has been vice-president of the South Carolina association. Mr. Cash formerly was general manager of Knox Georgia Homes and Knox South Carolina Homes.

In his first month with American Bankers, Mr. Wolfarth led the entire sales force in production.

Delay Injunction Hearing

The hearing on the restraining order suit filed against Oklahoma Commissioner Dickey by University L. & A. has been rescheduled for hearing Oct. 22. Petitioner asks for a permanent injunction, restraining Mr. Dickey from rejecting policy forms submitted by the company.

C. O. Gardner to Acacia

Clarence O. Gardner has been appointed manager at Dallas for Acacia Mutual Life. Before going with Acacia he was Dallas manager and director of training for American National.

Address Dallas C.L.U.s

Dallas C.L.U. chapter at its first fall meeting heard addresses by Neuman E. Long, Dallas co-manager for Great West Life, and R. R. Davenport, vice-president of Southwestern Life.

Sixtieth Year of Dependable Service

★ The State Life Insurance Company has paid \$186,000,000 to Policyowners and Beneficiaries since organization September 5, 1894 . . . The Company also holds over \$81,500,000 in Assets for their benefit . . . Policies in force number 103,000 and Insurance in force is over \$220,000,000 . . . The State Life offers splendid agency opportunities—with liberal contract, and up-to-date training and service facilities—for those qualified.

☆ ☆ ☆

THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

Taxes Paid by Life Companies Near \$400 Million Mark

Total tax bill paid by life companies was \$345 million last year and may reach \$400 million this year, Institute of Life Insurance reports.

This would bring total 1953 taxes to \$250 million more than those paid in any year prior to World War II.

Of last year's total, \$125 million was federal income taxes; \$146 million state taxes on premiums; \$27 million other state and local fees, licenses and taxes, and \$32 million real estate taxes. Federal social security taxes paid by life companies came to \$15 million.

Franklin Life Is Now In All but New York

Franklin Life has been licensed in New Jersey bringing the company's operations to 47 states (all but New York), District of Columbia, and Hawaii and Alaska. Supervisor for New Jersey will be Eastern Sales Director Claude L. Fred, Philadelphia.

Two New Group Offices Are Opened by Home Life

Home Life of New York has opened group offices at Syracuse and Los Angeles. The former, which will serve Rochester and Buffalo, as well as the Syracuse area, is under the supervision of Joseph F. Dara, the latter under Robert W. Crosson, newly appointed district group manager. Mr. Crosson formerly supervised the company's group activities in the Baltimore and Washington, D. C., areas. Succeeding him there is Bernard F. Smith, who has been named district group representative.

Also, the company has assigned District Group Representative Vivian F. Cooper, Jr., to the regional group office in Atlanta. He has been with the company's group sales department for over four years. James H. Althaus, district group representative, who has recently returned from active military service in Korea, is now supervising the Louisville group office.

Sees 30,000 Death Claims

More than 30,000 death claims will be filed this year in the U. S. under ordinary and industrial life insurance policies less than 12 months old, Institute of Life Insurance estimates. Many group life insurance certificates which will become death claims also will have been in force less than a year, it adds.

This is indicated by the fourth in a series of surveys made by the Institute, each covering one month's death claims. An estimated 8 first year death claims are filed every day, it declares.

The ordinary and industrial first year death claims alone probably will represent nearly \$35 million of benefit payments to families, for which only one year's premium at most had been paid. About five times as many, or an estimated 150,000, will be death claims under ordinary and industrial policies in force less than five years.

Holds Marketing Institute

Business men, attorneys and trust officers have been invited to attend the annual advanced marketing institute which the Chester T. Wardwell agency, Peoria representatives for Connecticut Mutual Life, is holding at the Pere Marquette hotel, Oct. 16.

E. A. Starr, superintendent of agencies, and Paul A. Hoeffer, attorney, are on from the home office to conduct

the day-long session devoted to executive pay plans, pensions and profit-sharing trusts.

Mr. Starr will discuss pensions and profit-sharing for medium-sized and smaller businesses. Mr. Hoeffer will explain corporate and executive pay plans.

National Union of Miami Elects Riddle President

National Union Life of Miami has elected John Paul Riddle president, succeeding F. R. Ingram. Mr. Riddle is president of the Embry-Riddle Co., a flight training school, and president of Riddle Airlines, a non-scheduled cargo carrier.

National Union Life moved its home office from Birmingham, Ala., to Miami last April. It operates in Florida and Alabama. Basil P. Autrey is agency director.

Goes to 2½% Discount Rate

Western States Life has increased from 2% to 2½% the rate of discount for premiums paid in advance beyond the current policy year.

The company has also liberalized its practice with regard to attaching war riders to policies.



At Union League Club of Chicago insurance luncheon that was addressed by C. J. Zimmerman, managing director of Life Insurance Agency Management Assn.: Levering Cartwright of National Underwriter, vice-chairman of insurance committee of the club; Ferrel Bean, general agent of John Hancock Mutual who introduced the speaker, Mr. Zimmerman and Roy L. Davis, Assn. of Casualty & Surety Companies, chairman of committee. Picture by Guy Ferguson of Ferguson Personnel.

LIFE WITH PROVIDENT

Found:

MORE SELLING TIME

For the Provident Life Producer, programming time has been cut to a minimum. The main time savers are his programmed package plans — each providing for units of income, each presented clearly and simply. These advantages add up to less time in preparing material for interviews, leaving more hours to be spent where they count most. For the Provident Life Producer, this means more interviews, and naturally, more sales.

PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
Chattanooga - Since 1887



LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

Skillful Timing Wanted in Approaching Honest Money Goal, Burgess Indicates

Members of the Financial Section of American Life Convention hung on every word and inflection of W. Randolph Burgess, deputy to the Secretary of the U. S. Treasury, who spoke at the closing session on "Sound Money and Debt Management." Many were especially concerned to see whether they could detect from what Mr. Burgess said, and the way he said it, whether the recent easing of money conditions represented a retreat from the sound money program of the administration or whether it was simply a temporary expedient due to the immediate borrowing of the government. Mr. Burgess throughout reiterated his devotion to the objective of the honest dollar but he indicated a belief in the necessity for gradualism in attaining that objective. Also, he emphasized the unusual problems of borrowing faced by the government this year. Those reading between the lines felt this might have compelled a decision that this

would be a timely place to stop and catch a breath in the race for the honest dollar.

Mr. Burgess at the outset spoke of the desirability of distributing the debt around where it will "stay put." He voiced appreciation to the insurance industry for conferring with him prior to the announcement of the 3 1/4% issue that signaled the sharp rise in interest rates. Those conferences, he said, "gave us courage to go ahead." He expressed gratitude to the insurance people and defined gratitude as meaning lively anticipation of favors yet to come. Speaking of the philosophy of honest and sound money, he said that no one is more seriously hurt than the life insurance policyholders by the fiscal policy that had been pursued for the past two decades. The value of savings has been whittled away. Honest money, he said, resolves itself into a very human manner.

Inflation, he went on to say, has

been a world-wide scourge since the first world war. It has wrecked the lives of millions. The principal victim has been the forgotten man, that is the one whose chief burden in life is to pay.

Inflation has been fostered by what he called the alien philosophies of Marx and John Maynard Keynes. It has produced bigger and bigger governments and spending. It has bred deficits, inflation and dishonest money. Now he predicted we are moving back. Honest money, he said, is the foundation rock in the American tradition. In pursuing the objective there may be dispute on timing and the speed of action. In approaching the problem of attaining a sound physical and monetary policy, the great areas of action are the budget, the operation of Federal Reserve and the management of the public debt.

In the return to greater self-reliance and free enterprise, the government "needs your aid," he said.

In the budget a start has been made but looking ahead the job is far from done. The prospective deficit was reduced from \$11 billion to \$3.8 billion, but then in taking off two taxes next April 1, there will be a loss of \$5 billion to \$6 billion and that indicates a gap of \$8 to \$10 billion. A good deal of attention has been given to the foreign aid program as a place to save on outgo, but of the \$6 billion for foreign aid, \$5 billion is military aid and he indicated the belief that that is insurance that can't be done away with.

He said that there are a lot of assets in the way of mortgages and one thing and another in the hands of the government and that it amounted in all to some \$2 1/2 billion and the aim is to get these into private hands and he said "I hope you have a look at them."

In the past, he said, the Federal Reserve had been subordinated to the Treasury and was used to peg the price of bonds so that the government could peddle bonds. What this policy saved in interest, he said, was more than lost in the cost of inflation.

Under the present administration, the Federal Reserve has complete freedom to do what it wants. The tightening of money as a result of Federal Reserve action "didn't make our task easier," he said. He said that the plan is to work it out so that the Federal Reserve and Treasury policies will be consistent in the interest of the people.

On the score of debt management, he said there has been too much concentration and too much in the hands of the banks. He said it has increased from \$65 billion in 1939 to \$195 billion in 1953. As a result of what he meant by concentration, he said the government has had to go this year already seven times to the market in eight months, and it will have to go twice more this year. This keeps the Treasury always off balance. There is no interval in between when the Federal Reserve could tighten the market without "interfering with our program." The debt structure, he said, is distorted by big near-by maturities. The objective is to space out the maturities and get the bonds into the hands of long-term investors. Already he said the long term bond market has been opened up. The market is better. It has weathered the storm. At first, he said, there was a paralysis when the government bond market found it was free. He expressed the hope that next year the Treasury won't have to come to the market extensively.

Government trust funds are taking

about \$3 billion a year and pension funds are ever larger takers and saving bonds are going pretty well, he said. However, the government has just scratched the surface in its endeavor to get the debt structure into a more manageable position. Better interest rates, he said, may result in getting the banks to stretch out the maturities. There has been a great concentration of maturities in the hands of the banks.

The life insurance companies, he said, constitute the largest body of private investment funds, and he said that all portfolios would look better if they had a block of government bonds as a permanent fixture. He said he concedes that life insurance companies have got to have a "decent rate." The government bond market is often thin, he said, and the life insurance companies could give it "more body" from time to time if they would take a trading position and buy and sell at appropriate times.

Texas Life Convention Reveals Fall Program

Texas Life Convention will hold its fall convention at the Baker Hotel, Dallas, Oct. 22-23, under the direction of Travis T. Wallace, president of Great American Reserve and T.L.C.

Separate programs will be conducted by the Senior, Associate and Agency sections, with a joint luncheon for the three groups.

The Senior Section will meet twice Oct. 23; the Agency Section, Vernon D. Singleton, United Fidelity Life, chairman, will meet the afternoon of Oct. 22, and the Associate Section, comprised of junior home office executives, will hold two sessions Oct. 23.

May Back Nussbaum

Wisconsin Assn. of Life Underwriters considered a proposal at its quarterly meeting at Milwaukee to support the candidacy of A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, national trustee, for secretary of the National association.

Reports were given on plans for new legislation; progress of a membership drive to secure 1,500 members by early next year; regional sales congresses, and caravan committees to visit local associations. The \$2 increase in National dues also received attention.

Sales congresses already planned include the northeastern congress at Appleton Nov. 7 and the northwestern congress at Eau Claire Nov. 6. E. C. Schroder, Appleton, president, presided.

Bohemians Name Bartos

Anton J. Bartos, Milwaukee, was elected president of the Western Bohemian Fraternal Assn., Wisconsin and upper Michigan division, at the annual convention at Menominee, Mich. George Paitl, Menominee, was re-elected vice-president; Frank Dvorak, Ashland, Wis., Czech secretary, and Charles Tatcek, Milwaukee, English secretary. The next convention will be held in Phillips, Wis.

Eastern Actuaries Meet

Middle Atlantic Actuarial Club is holding its fall meeting at Baltimore, Oct. 16. Speakers are Commissioner Jackson of Maryland and James A. Hamilton, Wyatt Co. A panel discussion on allocation of expenses is being led by R. L. Glazier, Life of Virginia.

The Florida insurance department has established a district office at Bradenton with Warren A. May, a deputy commissioner, in charge.

LIFE INSURANCE PROTECTION at "Fire Insurance Rates"

\$104,800.00
IMMEDIATE PROTECTION
for only
\$480.90 a year
(at age 35)

When your clients ask for life insurance at "fire" rates, tell them about U. S. Life's special Budget Plan... a combination of 5-Year Renewable Term plus our unique \$50-a-month per \$1,000 income rider.

Our agencies are specialists in brokerage and surplus business. Call your U. S. Life agency or write home office for details.

United States Life

OUR
104TH
YEAR

Prudential Agents' Union Sets Sights for 'Substantial' Pay Hike

WASHINGTON—Insurance Agents' International Union (AFL) will demand a "substantial wage increase" for Prudential agents when negotiations between the union and the company begin early next year, according to George L. Russ, union president. IAIU represents more than 15,000 Prudential agents employed in 34 states and the District of Columbia. Its current contract with Prudential, signed in February, 1952, after a strike lasting 81 days, expires on March 1, 1954.

To pave the way for a wage increase, Mr. Russ said his union had launched a campaign to amend section 213 and 213a of the New York law which limit compensation which may be paid an agent. He said the recent AFL convention adopted a resolution calling on its 9,750,000 members to support IAIU's campaign to amend the New York code.

Great-West Group Policy to Cover City Employees

The Muskegon, Mich., city commission has voted to purchase group life coverage for city employees from Great-West Life, one of three low bidders among 18 insurers competing for the business. An initial list of bids had been rejected.

Commissioner Henry J. DeVette, sole dissenter, opposed the award. Union Central Life, which he represents, submitted the low bid in the initial rejected batch. He charged influence in the award to Great-West.

Annual premium for the city policy is to amount to \$8,949 of which the city will pay \$3,297 and employees the remainder. Coverage up to age 65 is \$2,000 and over that age \$1,000.

Many No. 1 Agencies Are Located in Hawaii

Life insurance people in the Hawaiian Islands are proud of the fact that Honolulu agencies are becoming the No. 1 production units of more and more companies. Among the companies whose leading agencies are located there are California-Western States Life, West Coast Life, United Benefit Life, Occidental Life of California and Sunset Life.

Manhattan Agency Merger

One of the oldest Manhattan Life general agencies in New York, Charles V. Cromwell, and one of the newer general agents, Bernard A. Haas, have merged offices and will operate as Charles V. Cromwell-Bernard A. Haas, general agents, 60 East 42nd street, the long-time address of the Cromwell agency.

Mr. Cromwell has been a general agent with the company since 1937, Mr. Haas since 1952. He started in life insurance in 1932. Prior to joining Manhattan Life, he had been in personal production and for 10 years served as an assistant manager in Brooklyn for an agency of another company. He was the organizer of Brooklyn Life Supervisors Assn.

A new marketing procedure in selling A. & H. and hospitalization insurance was outlined at a two-day sales meeting of Brotherhood Mutual Life of Fort Wayne at Milford, Ind. The new plan was presented by Lester C. Gerig, director of agents.



New Life Advertisers Assn. officers, elected at the Boston meeting, from left: Jack R. Morris, Business Men's Assurance, president; Richard L. Hindermann, Pan-American Life, secretary; Henry M. Kennedy, Prudential, treasurer; A. H. Thiemann, New York Life, vice-president, and William Sexton, Great Southern Life, editor of Life Advertiser, association magazine.

Here's one key to success

It's worn by 362 Prudential representatives including these 48 newly-designated Chartered Life Underwriters and Chartered Life Underwriter Associates.



Ever since 1927, when the designation of Chartered Life Underwriter was first created, The Prudential has wholeheartedly endorsed this professional training program. And that enthusiasm hasn't slackened.

In fact, today, there are nearly 500 Prudential representatives working toward completion of the CLU program . . . men and women who proudly reflect the high professional standards upon which this industry is built.

The Prudential is proud of our 48 newly-designated Chartered Life Underwriters and Associates—and all CLUs for contributing to the stature of the life insurance industry.

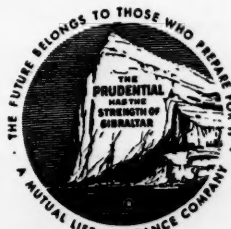
The PRUDENTIAL

INSURANCE COMPANY OF AMERICA

HOME OFFICE: NEWARK, NEW JERSEY • CANADIAN HEAD OFFICE: TORONTO, ONTARIO • SOUTHWESTERN HOME OFFICE: HOUSTON, TEXAS • WESTERN HOME OFFICE: LOS ANGELES, CALIF.

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Arrison, Clement R.
Barringer, Elmer C.
Bednarz, Alexander L.
Bucca, Benjamin S.
Cahill, John J.
Crockett, Albert L.
Dixon, Joseph G.
Ezor, Isidore M.
Fisher, Stonewall Jackson, Jr.
Frerking, G. A.
Halperin, Sanford B.
Holland, Harry C., Jr.
Holm, Alfred Charles
Jarvis, Frederick G., Jr.
Jensen, Julien, Jr.
Knauf, J. Arthur
Lupean, Robert Louis
MacDonald, John B.
McGill, Woodrow W.
McKeon, Mary C. (Miss)
Miller, Alvin Louis, Jr.
Miller, Sidney
Mulholland, Daniel J.
Murray, Lawrence J.
Owen, Paul Scott
Pattison, John
Pierson, Mack D.
Pulichina, John Vito
Pumyea, Peter C., Jr.
Rogers, H. Paul
Ross, Walter R.
Schultz, Charles A., Jr.
Schultz, Howard W.
Siegel, Harold
Thomas, Jerry Lee
Toia, Louis James
Tracy, Gerard B.
Watters, John J., Jr.
Weintraub, Milton
White, Charles S.
Wiederer, Charles E.
Wurst, Richard G.
Zagol, Walter F.
Zuehl, John G.
CLU ASSOCIATES
Blackwell, David J.
Clolery, Kenneth E.
Hartz, George E., Jr.
Jordan, John M.



Exerience Yields Profit for Life Advertisers

(CONTINUED FROM PAGE 1)

Metropolitan Life, spoke on "Combined Objectives." His talk was reported in last week's issue.

Frank L. Shoring, Columbian National, hard-working chairman of the exhibits committee, made brief reference to the high points of the prize-winning displays, the exhibitors being grouped in three classifications. He remarked that there were four companies with a 100% scoring, they being United Benefit, Paul Revere, Mutual Service, and Union Casualty & Life.

Mr. Shoring said that L.I.A.M.A. had again asked that the prize-winning boards be sent on to its annual meeting in Chicago next month.

Jack R. Morris, Business Men's Assurance, newly-elected president of L.A.A., spoke on "Exhibits I Wish Were Mine." Although he was suffering from an infection that forced him to wear a bandage over one eye, he was nevertheless keen enough of vision to conclude that the companies whose exhibits he found himself wishing had

been his were—for reasons which he explained—the following: Occidental of California, Metropolitan, Massachusetts Mutual, Equitable of Iowa, Dominion, National of Vermont, London, Connecticut Mutual, New York Life, Travelers, Mutual of New York, Atlantic, Manufacturers, Great-West, Bankers of Iowa, Union Central, Provident Mutual, John Hancock, Prudential, Jefferson Standard, Pacific Mutual, Home Life of New York, United Benefit, Equitable Society, Shenandoah, Pilot, Washington National, California-Western States, Mutual of Canada, Southland and Phoenix Mutual.

Special interest was shown in the talk of Walter E. Downing, agent of New England Mutual at Boston, whose topic was "Exhibits I Would Like to Use," because Mr. Downing is making successful use of visual material in all his presentations. His agency maintains a comprehensive visual sales aid file. He cited several objections commonly offered by prospects and demonstrated how they may be overcome with effective illustrated material.

David W. Tibbott, New England Mutual, L.A.A. president, was chairman at

Laughead to Des Moines as Berkshire General Agent

J. Russell Laughead has been appointed general agent at Des Moines for Berkshire Life. He has been in life insurance since 1940 and is a navy veteran.

the first day's luncheon, at which Arthur H. Motley, president of *Parade* publications, gave a slam-bang talk entitled "The Language of Advertising." An exuberant optimist and owner of \$437,000 of life insurance, Motley believes the life insurance market to be expanding but still undersold. He believes in concentrating on and selling to the masses.

"We have a Ford, Chevrolet and Plymouth economy in this country, not a Cadillac economy," he declared. "We must reach all segments of the population. Put it within the prospect's experience."

He is an uncompromising advocate of plain, clear, understandable presentations, printed and oral, and displayed numerous examples of the right and the wrong kind.

There were sightseeing tours the first afternoon and the president's reception at the beginning of the evening was a festive affair.

Southern Round Table members came to the second day's sessions wearing Confederate caps and large badges, having just come from their annual breakfast get-together. They attracted so much attention as they entered the convention room that they were invited to group themselves together and sing "Dixie," which they did in loud voices.

This got the second day off to a lively start. A. L. Cawthorn-Page, Metropolitan Life Canadian head office, was chairman. The morning was devoted to a panel presentation, with chairmen of four important committees reporting.

Al B. Richardson, Life of Georgia, led off as public relations chairman. He

told of the cooperation with the Institute of Life Insurance and of the regional forum for southeastern life companies held recently and attended by Holgar Johnson, president, Arthur Daniels, executive assistant, and Donald F. Barnes, director of promotion and advertising, of the institute. A similar meeting for southwestern companies will be held soon.

Mr. Richardson gave in detail the highlights of a survey made by his committee. This was aimed at disclosing the thinking and activities of companies regarding public relations. He said there are 52 L.A.A. members designated as P.R. men. The P.R. work is in the agency department of 31% of the companies. In 53% it is a separate entity and its head reports to top management. The trend is toward a separate P.R. unit outside the agency department, he indicated.

Long-term public-relations thinking said Mr. Richardson, must be imposed on all advertising copy, news releases, or any material going to the public. He feels there are big possibilities for improvement and development. One of his observations was that so many companies have flooded newspapers with releases about their agents that some newspapers now refuse to run anything of this nature, feeling that it has been greatly overdone.

Robert L. Bliss, executive secretary Public Relations Society of America, traced the development of public relations and made complimentary references to the P.R. know-how of Prudential, Mutual of New York, Life of Georgia, John Hancock, New England Mutual, and Connecticut Mutual, giving his reasons for commending them.

As education committee chairman, Charles R. Corcoran, Equitable Society, said the workshops in sales promotion and editorial work run by that committee seemed to fill a genuine need in the life insurance business. They will be held again this year Nov. 30-Dec. 4 in New York City. This year the education committee also determined



THE "FAMILY TYPE"...

... strong consideration is given the prospective agent's family status. With few exceptions, successful candidates are married and have at least two children.

... the
Cal-Western Agent is a
CREDIT to his profession

... and yours!



CALIFORNIA-WESTERN STATES LIFE INSURANCE COMPANY
HOME OFFICE: SACRAMENTO

THESE ARE YOUR

Successful Selling Needs.

Additional General Agency appointments available in Michigan, Ohio, Indiana, Illinois, Minnesota, Iowa, and Florida
R. E. IMIG
Agency Vice-President

- 1 A full line of life policies with attractive term riders that offer liberal provisions.
- 2 Complete Sickness, Accident and Hospital coverage with 9 new streamlined policies.
- 3 Home Office training schools.
- 4 Career contracts.
- 5 Production clubs, conventions, awards, excellent sales aids.

A GENERAL
AGENCY
COMPANY

HOME OFFICE: MILWAUKEE

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to carry out a long-projected idea—an intensive two-day seminar on a single subject and held at greatest convenience in connection with the annual meeting. The first seminar—on national advertising—was held in Boston just prior to the L.A.A. meeting with 35 in attendance. If such projects are deemed worth while the education committee is prepared to offer others like it, on subjects of equally broad interest to members.

Another committee project is the "Bookshelf," a book review plan to provide reviews for the column run by Paul Duling of Postal Life in the L.A.A. Bulletin, at the same time building up a reference library in the reviewer's office.

Results of a survey among life companies that engage in national advertising were reported by Margaret Divver, John Hancock, chairman, and Henry M. Kennedy, Prudential, vice-chairman.

Significant findings included these facts:

1. In more than half the 66 companies answering the questionnaire, top management enters into the discussion of national advertising plans.
2. A majority of the companies said the first objective of their advertising was to build company prestige.
3. A substantial number of companies reported that they looked upon their advertising, both in national magazines and in the insurance trade press, as a means of keeping their own agents sold on the company.
4. Most advertising managers have difficulty in convincing the "top brass" that the life insurance business is not doing an advertising job commensurate with the size and importance of the business.
5. About half of those answering said their field representatives use newspaper advertising infrequently, while several do no local advertising at all.

The results of an industry-wide sales promotion survey were reported and interpreted in a slide presentation. Not only were samples displayed but comments on the merchandising and trends in sales promotion were brought out by members of the sales promotion committee.

George Powell, Great-West Life, discussing the scope of sales promotion, pointed out that almost unlimited range is represented in the various companies.

D. T. McGraw, Acacia Mutual, reported on testing sales promotion material that little was being done in this area by most companies. Increasing interest is evidenced.

William C. Heimburg, New York Life, covered merchandising of sales promotion. Much the same methods are used by the majority of the companies, with a few outstanding exceptions.

Harvey Kesmodel, Jr., Sun Life of Maryland, covered the field of coordinating plans and kits. He had a number of plans to show, representing wide range of presentation.

Hal R. Marsh, Jefferson Standard, reported on direct mail with many illustrations.

Joseph B. Treusch, National Accident & Health, covered envelope enclosures and folders with a variety of subject matter and forms of presentation.

Jim Farlee, United Benefit Life, talked about materials for use in the interview. These covered a wide range of proposals from very simple to full

Sohn to Globe Life as A. & H. Department Manager

Harvey Sohn, for 20 years with Wisconsin National Life, has joined Globe Life of Chicago as manager of its new A. & H. department.

Mr. Sohn has been chief A. & H. underwriter for Wisconsin National Life and before that was assistant manager of claims.

interview visual guides.

The chairman of the sales promotion committee, Edwin P. Leader, Bankers of Iowa, introduced the panel and summarized the presentation. He also touched upon trends which panel members felt were beginning to be evident.

"There is an almost pathetic demand on the part of agents for more things to help build their prestige," H. Dixon Trueblood, Occidental Life of California, said at the second afternoon's session.

Mr. Trueblood said life insurance advertisers can make some very good use of merchandising methods to help the agent get that prestige. Major helps that advertising, public relations and sales promotion departments can give the agent, he said, are: to help educate him, to help build prestige for him, to help prepare and cultivate the market which he must ultimately personally harvest, to help motivate him to do this job, and to give him point of sale material which aids him to tell the story in the face-to-face encounter he has with the buyer.

"The shorter and simpler your merchandising is, consistent with doing the job well, the better it will be," he said. However, even the best of merchandising has to be merchandised in two places, with management and agency field force. Mr. Trueblood stated that the greatest merchandising ideas in insurance, the ones containing real inspiration, will not come from a "know-how" in promotion but rather from a "know-how" in insurance.

That same evening the convention party embarked in buses for Cohasset, 25 miles down the south shore, to enjoy a lobster dinner at Kimball's famous seaside restaurant. There were two lobsters per eater, a highly satisfactory arrangement. Preceding the dinner there was a cocktail party at which the hosts were four Boston companies—Columbian National, John Hancock, Loyal Protective, and New England Mutual.

The final day's session opened with a talk, illustrated by slides, on new vs. old styles in advertising. This was given by Charles C. Fleming, Life of Virginia, whose pithy comments were even funnier than some of the old time advertising. Incidentally, the comparison wasn't always in favor of the modern material, as Mr. Fleming pointed out. Some of the older ads were cleaner-looking and easier to read.

Edward F. Baumer, Prudential western home office, presided at this session.

Claude Robinson, president of Opinion Research Corp., which has developed the "impact" measurement system for evaluating advertising's effect, said that insurance advertising is heavily dominated by indirection. A great deal of mental work is required of the reader to get the point.

"As a matter of fact, it is frequently difficult to find out much about insurance from insurance advertising," he said.

An effective way to waste advertis-

ing dollars, he said, is to fail to give the reader a reward for the time and trouble he takes to read the ad. People aren't interested in hearing an advertiser say, "How wonderful we are!" New information of interest to a reader, however, is a great area for exploitation. Usually this is news about the advertiser's product that will be useful to the reader.

Travis T. Wallace, closing speaker, told the advertising men that one of the association's prime objectives should be building prestige for the individual agent, for one of the baffling problems facing the agent is the building of personal prestige for himself. Lack of prestige results in a direct loss of sales and, more important, in an indirect loss of many sales because of the agent's lowered morale, said Mr. Wallace.

"Another very important task to be done in the agent's behalf," he continued, "is the discovery of enough qualified prospects. Traditionally, this has been the agent's job—but does it have to be?"

Mr. Wallace stated that the professional advertising, sales promotion and public relations man in insurance must

raise the level of his own stature within the industry in order to render the greatest service possible.

"You people should be regarded as being on the same plane in your organization as the actuary, the agency director or the finance officer," he said. "Ideally, you should report only to the president."

In his report as secretary, A. H. Thiemann, New York Life, said L.A.A. now has 424 individual members representing 216 companies.

When the new officers and executive committee members were called to the dais for installation at the close of the final session, President-elect Jack R. Morris, Business Men's Assurance, was not among them. Mr. Tibbott, the outgoing president, said that because Mr. Morris's eye infection had become worse, his doctor had ordered him to bed and it would probably be necessary for him to go to a hospital for treatment. The new vice-president, Mr. Thiemann, accepted the gavel on Mr. Morris's behalf.

As a memento of his year as president, Mr. Tibbott was presented an inscribed gavel.



A NEW FIELD

For Bankers Life of Nebraska, the year 1953 will be the biggest in the Company's 66 year history.

Life insurance sales, sparked by the record-breaking \$10,000,000 "Strike Oil" Anniversary campaign, have already hit a new high.

And now in addition, Bankers Life salesmen are equipped to explore and develop the field of Accident and Sickness insurance—a new field of coverage which has been added to their sales portfolio.

Bankers Life
INSURANCE COMPANY of Nebraska

Sales Ideas That Work

WHITTAKER TELLS AGENTS

Group Earns Commissions, Leads To Other Business and Builds Prestige

NEW YORK—Much can be said for group insurance as a commission producer, E. B. Whittaker, vice-president of Prudential, told Life Underwriters Assn. of New York City.

Mr. Whittaker's enthusiasm for group selling is backed up but not obscured by his actuarial skill and his competence with the subject which grows out of many years of experience both in creating it and in selling it.

There are 20,000 concerns in the five boroughs of New York City with 25 to 100 employes, and any agent can get at them, he said. First year com-

missions on these small cases in 1940 were \$279 on Prudential's business and in 1952 were \$555, he reported. Assuming that the contracts continue in force as at inception, renewal commissions have increased from \$557 to \$929, 1940 to 1952.

Perhaps the average agent cannot cope with the group of more than 100 lives, but there is certainly no reason why he cannot readily produce business involving the small, 25 to 100 group.

The character of the group business has changed substantially in recent

years. Today the premium on group life is small compared with the premium on group A & H coverages. These latter have developed rapidly in the last 10 years.

Taking 1940 as a base year, the average number of lives in the 25 to 100 size was 59, in 1952 this had decreased to 41. This is because the law was changed in 1947 to permit group on 25 or more lives instead of 50 or more lives, which previously had been the minimum.

However, he pointed out, in 1940 his company sold only five group coverages. Today there are 15. In 1940 the average number of coverages sold was 2.9, in 1952 it was 5.4.

For the life agent the by-products of successful group solicitation are extremely important in earnings possibilities. The person who places group insurance sees all the enrollment cards containing the names, addresses, earnings, etc.—in fact all of the information needed to qualify a prospect for individual insurance except physical condition. Group provides a natural entree for the agent to many other forms of insurance—personal insurance on the firm members and their families, additional group coverages, etc. The prestige of being the insurance adviser of a firm is of course invaluable.

It is a tremendous satisfaction to do something for someone, and the group sale produces this kind of satisfaction, he declared. In his own case, enthusiasm is always showing through. The real test of how good a product is is to go out and sell it, which he does.

Medical catastrophe or major medical coverage is the latest addition to group coverages, and it is one Mr. Whittaker believes has a tremendous development of the coverage and

personally has worked on at least cases.

Blue Cross and basic insurance plan cover all those things that an individual himself can afford, without touching what should really be insured, he said. During the war labor leaders could get only welfare benefits so they took Blue Cross, among other coverages. Mr. Whittaker thinks that they are still insuring the wrong kind of thing. Union leaders are tending further toward the small stuff like doctor's calls. But perhaps this is understandable because the union leader wants to get money into the home of every member since welfare programs are usually taken in lieu of cash wage increases. Yet the thing most worth insuring is what the family cannot afford to pay for.

Two key principles in major medical are a deductible in order to avoid the payment of small claims and a coinsurance feature in order to keep charges out of the sky. Also, he said, the premium charge must be different for different groups since groups have different characteristics, some will contain more older persons, others more women, others persons with generally higher incomes, etc.

From a study made of Prudential's own people, it became clear that age is one of the most important factors in the cost of major medical, income is next—claims in the \$10,000 to \$15,000 income group are twice as high as they are for the \$5,000 to \$7,500 group. Despite all of the spectacular publicity about polio, the study revealed that the cost per employee runs 1, 2 and 3 for children, employee and wife. In other words, the wife costs three times as much as the children, and 50% more than the employee. The cost



About the Bees...
and the Birds...
and the Flowers

The average life insurance man, bless his heart, is literally hungry for sales ideas. That's because sales ideas are the tools of his trade. It's how he earns his bread and butter.

American United Life's agency department is aware of this simple fact of life. The brass do a lot of traveling and talking. They do a lot of listening, too. And like the bee that carries pollen from flower to flower, ideas are carried from one agency to another. The seeds sprout and pick up individual characteristics that turn out a harvest of new ideas. Incidentally, the agency department raises quite a crop of sales ideas on its own, too—sales plans that are practical and usable.

Knowing about the bees and the birds and the flowers probably accounts for the record volume of quality business coming our way.



AMERICAN UNITED LIFE INSURANCE COMPANY

HOME OFFICE, FALL CREEK PARKWAY AT MERIDIAN ST.

INDIANAPOLIS, INDIANA

**NORTH
AMERICAN
REASSURANCE
COMPANY**

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and

**ACCIDENT & HEALTH
REINSURANCE EXCLUSIVELY**

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can amount to a real catastrophe at older ages and especially with women.

The study also dispelled the illusion that major medical interests only executives. Those with lower incomes want it very much. For them of course the deductible is lower than it is for the higher income earners. In the earning category of \$3,000 to \$4,000, 70% of Prudential's employees took the coverage, in the \$4,000 to \$6,000 category, 80%, and over \$6,000, 90%. The coverage can be sold to all, if the plan is good, and Mr. Whittaker emphasized the necessity of having a good plan. He pointed out employees in the file department of Prudential went for the plan 92%, and in the laundry 100%.

The major medical cover is the best door opener Mr. Whittaker has discovered. Once the agent starts talking about the subject with employer and employees it is almost impossible to get out of the place. It appeals to everyone there.

The coverage is going great guns. More than 1,000,000 persons now have major medical protection, about 900,000 under group and about 150,000 under individual policies. He said Prudential has not yet tackled individual coverages. It wants to get some experience under group before moving into that field. The group cover is not limited to in-hospital cases. He cited one case in which a daughter had rheumatic fever and the costs ran about \$2,000, not insured under the basic hospital or surgical cover.

Under group there is no restriction as to pre-existing condition and in many other ways it is broader coverage than the individual policy which in many cases limits recovery to in-hospital expenses.

The legal limit on group is 25 but most companies are writing major medical on groups of 50 or larger only. There is no examination required under group. In two-thirds of the cases the employee pays all. Some employers pay all because of the attraction of the coverage for younger executives.

Another form of group coverage that is doing extremely well, he said, is consumer credit insurance. Banks in modern times have gone more and more into automobile and similar loans, and every agent has a chance to write the bank he keeps his money in.

David B. Fluegelman, general agent of Connecticut Mutual, and immediate past president of NALU, installed the officers. This is a new procedure. The new president, Harold N. Sloane, Continental Assurance, was especially recognized with an NALU scroll.

Mr. Sloane said one thing the association hopes to do in the next year is to open the door further on Section 213.

He recognized members of the association who are members of the Women's Quarter Million Dollar round table. Lillian Joseph, Home Life, was unable to participate because recently she fell and injured herself.

Gives Experience-Tested Sales Ideas at New York City Insurance Day Rally

NEW YORK — Harold N. Sloane, Continental Assurance, president of the New York City Life Underwriters Assn., offered several experience-tested sales ideas for the use of general insurance brokers at the New York insurance day meeting sponsored by the Greater New York Insurance Brokers Assn. Some of these ideas were:

1. Use the benefits of the automatic premium loan as a way of starting life insurance conversations with general insurance clients. Another conversational opener is the addition of children born since the client's policy was issued and failure to delete beneficiaries no longer living.

2. Suggest the use of settlement options rather than the interest option or cash settlement so as to get the benefit of the favorable income tax treatment accorded proceeds paid on the installment plan.

3. Insurance paid on settlement options plus social security can provide a livable income-tax-free income without needing a fortune in life insurance. The agent can use this to sell a lot of insurance by asking the prospect if he has been approached by many insur-

ance men. The answer is usually yes. The agent then says to him, "Wouldn't it be a good idea to know when to stop buying insurance, so that you can tell the next insurance man that you have arranged your life insurance estate on income? And do you realize that you need X dollars more—but when you can afford it, you will know how much to buy?"

4. Clients who cannot buy insurance or only rated insurance: Suggest that they take paid up additions, since in that way the rated or uninsurable policyholder is buying insurance at standard rates.

5. If a wife has income of her own she can buy a policy on her husband's life, own the policy, pay the premium out of her own money and when he dies the insurance proceeds are not part of his estate.

6. Set up a plan providing for payment of the \$5,000 income tax free benefit by an employer under section 22(b)(1)(B) of the internal revenue code and fund it with life insurance owned by the corporation, with premiums paid by it. Premiums are not deductible but proceeds are income tax free.

ANICO representatives
are Anico's best
advertisements

L. E. BALDWIN

Manager,

Salt Lake Ord. Agency

Layton Baldwin is an outstanding example of Anico career building. Mr. Baldwin became an agent for the Company April 15, 1939, with previous insurance experience. Success in following training brought early sales success and promotion to supervise a unit of the Salt Lake City Agency. Success in recruiting and training brought further promotion to management of the Agency on January 1, 1944, when an opening occurred. Since that date the Salt Lake Agency has consistently been in top production positions and was accorded the honor of being selected "Most Outstanding Agency" in one year. Layton E. Baldwin is a star example of the Anico Career program.



Many Phases of A. & H. Studied at Quebec Meeting

(CONTINUED FROM PAGE 11)

A. & H. policies normally are renewed year after year, often for long periods. Much of this is handled mechanically, and changes in premium would increase the expense, as well as requiring an explanation to policyholders and perhaps reselling the business if the premium is increased.

The rates of any one company are normally the same nationally, and to have premiums for the same coverage differ in different states, which would seem to be a probable outcome of state regulation, would add substantially to administrative work and hence to the expense of doing business, especially when a policyholder moves across state lines. This would be in addition to the extra expense, both to the state and to the company involved in substantiating proposed premium charges for a policy form in order to have it approved.

If the commissioner require that a premium be charged for each policy form submitted be supported by statistical data and otherwise as a condition of policy approval, they are indulging in rate regulation, pure and simple, Mr. Cox said. To relate the price to some fixed loss ratio determines what the gross premium shall be. How is this to be done? he asked. On the basis of the experience of the company submitting the form? On the experience of all insurers in a particular state? On countrywide experience? Or will it be done one way in one state and some other way in another? He wondered to what extent the judgment factor would enter in, and whose judgment would be used. Mr. Cox said he didn't know the answers and fears that the insurance departments which have intimated that the law requires some such procedure have not thought them through either.

A statutory provision as to reasonableness of benefits in relation to the premium charged was not intended to give the commissioners an additional

weapon to eliminate "fraudulent or manifestly unfair" policies. The states have excluded A. & H. from rate regulatory law, thereby leaving the anti-trust laws to prevent price-fixing between competing companies.

"I can see nothing of the words, 'the commissioner may disapprove such form if the benefits provided therein are unreasonable in relation to the premium charged,' which obliges a commissioner to require that every submission of a policy form for approval be accompanied by data to show how the premium is determined," Mr. Cox declared. He suggested instead that the commissioner apply these tests:

1. Does the policy form submitted meet specific statutory requirements?
2. Does it contain any provision which is deceptive, inequitable or likely to encourage misrepresentation of the policy?
3. Is the premium at which it is to be sold not greatly out of line with the current market price of similar policies?

EXPENSES DISCUSSED

Attention must be turned more and more to the expense side of selling A. & H., Francis S. Perryman, Royal-Liverpool group, said in his talk. A. & H. is not aided, as some businesses are, by mass production methods, but there still are many ways in which expenses can be cut. This is a particularly difficult problem for the casualty companies where the expenses are divided between all types of coverage, wherein the A. & H. operation must bear its share of the cost of operations which do not directly give much assistance to the job of turning in a profit for the department, he commented.

Richard L. Glazier of Life of Virginia, gave a talk on the effect of the age factor on the cost of hospital insurance, winding up with the conclusion that age is of considerable importance in the development of claim

(CONTINUED ON NEXT PAGE)

- ★ A working contract that permits outstanding earnings.
- ★ Policies that stand out in value against any competition.
- ★ A management philosophy that is based on the axiom that a company succeeds only when its agency force succeeds.
- ★ The most modern and effective selling aid program that can be devised.

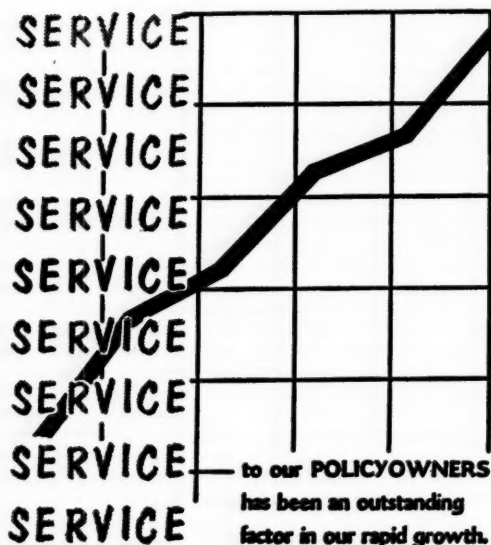
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LIBERTY NATIONAL LIFE INSURANCE COMPANY
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(RATED 'A' EXCELLENT FINANCIAL)

BENEFICIAL THOUGHTS

"Often the only difference between happiness and misery in old age—is just a few dollars."

"Be it ever so humble, there is no place for old people like their own home."

"Most men don't plan to be old and poor at the same time. The trouble is they don't plan NOT to be."

We, as life underwriters, have an important message to take to the people.

BENEFICIAL LIFE
INSURANCE COMPANY

David O. McKay, President

Salt Lake City, Utah

(CONTINUED FROM PRECEDING PAGE)
costs on this line, rising normally with age but decreasing with age for maternity benefits. He presented a number of tables which he got up with the help of William Wirth, assistant actuary of his company.

Carman Naylor, London Life, discussed problems in continuing group coverages on retired employees, mentioning that the retired people show a claims cost considerably higher than those actively at work. He said when group benefits are continued for employees after retirement, there is a danger that benefits will be used excessively. For instance, an employed person has a definite incentive to return to work to avoid possible loss of earnings, and this is lacking after the man retires. It may be difficult to distinguish between confinement for necessary medical care and confinement merely to look after an aged person.

To replace the loss of earnings incentive, some companies have imposed maximum limits on amount payable during the lifetime of the individual, although this may be unsatisfactory since a man may use his benefits and have no further protection. Coinsurance may be the answer to this.

Mr. Naylor said the heavy cost of insurance to retired employees should receive careful consideration. An employer who is proposing to extend coverage on retired persons might be wise to absorb the extra cost rather than transfer it to the employee because the latter method tends to increase selection against the company.

WANTS "FRILLS" REMOVED

E. Reginald Brock of Great-West Life talked on "Are 'Frills' a Real Advantage to the Industry?" He defined frills in the A. & H. policy as an inexpensive benefit added to a contract as an inducement to buy, and then mentioned the accidental death benefit, wondering whether it is a frill or a justifiable coverage. This becomes more of a point when double, triple and quadruple indemnities are added. Mr. Brock said there is a chance the policyholder will become hypnotized by the possible maximum to be gained and lose sight of the real need for full protection. "Practically, if there be a need, say, for \$10,000 in event of premature death from any cause, is the need any greater because the death be due to an accident? And to a much greater extent because the death be due to a cause as specified in a double indemnity provision? There is a danger of the policyholder being lulled into a sense of security by thinking he has \$10,000 of insurance in event of premature death, whereas in reality he will not receive any indemnity at all if the death is due to a cause not covered. It would seem that life insurance would be more called for except when the individual is unable to obtain adequate life insurance by reason of being uninsurable.

Another frill is the double indemnity on the income indemnity provision, he opined. If an individual should purchase income indemnity above 50% of his income and then be disabled, under the double indemnity provision he will receive more money than he earns while working full time. While it may be said that losses are low for the industry, Mr. Brock said this danger cannot be overlooked. The business cannot escape its responsibility, and it is not to the advantage of any individual or company to encourage malingering.

Another coverage which Mr. Brock

Hancock General Agents Elect Welsh President

Harry H. Welsh, Jr., Kansas City, was elected president of the John Hancock General Agents Assn. during the company's annual agency leaders' meeting at Chicago. He succeeds Ferrel M. Bean of Chicago.

Donald W. Hooton, Pittsburgh, is 1st vice-president; Guy L. Foster, Manchester, N. H., 2nd vice-president; Anthony J. Klug, Rochester, secretary, and Robert B. Pitcher, Boston, treasurer.

Insurance Courses at Seattle

The school of commerce and finance at Seattle University has inaugurated an insurance-real estate division. John P. Stanford, who received his master's degree in insurance from the commerce school of University of Pennsylvania and has been at Washington State College, is in charge of the new program.

The new curriculum will offer a variety of courses including principles of insurance, property insurance, casualty insurance, life insurance and real estate.

Publish Speicher Essays

Insurance R. & R. has selected 154 essays written by its late president, Paul Speicher, for publication in book form. All of the messages deal with life insurance motivation. The book is published in two editions, priced \$1.95 and \$3.95, with quantity prices available from Insurance R. & R. at 122 West North Street, Indianapolis.

said might be called a frill is the railway accident policy, since the hazards of this type of travel have been so materially reduced.

The capital sum payment, Mr. Brock said, is a frill. It is in some respects the counterpart of the death benefit. When the capital sum is tied in with the income indemnity, the current trend seems to be to consider the lump sum settlement as a minimum payment, without it being restricted to the period of disability, and if total disability is prolonged beyond the period equivalent to the income indemnity, then income indemnity is paid after that as long as total disability results.

If dismemberment or loss of sight due to accidental causes is experienced, the most important loss to be considered is loss of income, Mr. Brock said. It seems unreasonable, he went on, to pay a lump sum equivalent to 200 weeks total disability indemnity, because by an odd chance the insured experienced a stipulated loss when in one case total disability may be minimal. Serious consideration should be given to the value of capital sum to the A. & H. business, especially when it is in lieu of income indemnity, he said. What applies to capital sum applies equally to the elective or specified indemnities.

He suggested that indemnity for medical and surgical expenses for non-disabling injuries is a frill. The true function of insurance is to compensate for major losses which occur infrequently. To be required to pay \$2 for a doctor to put on a bandage on a minor cut hardly seems to fit into the function of insurance, Mr. Brock contended. The cost of settling claims under this benefit is out of proportion, and really should come under the normal medical charges any individual may expect to have.

The bureau people were welcomed to Quebec by Georges Lafrance, Quebec superintendent.

October 16, 1959
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CONFERENCES CLOSE

Conn. Mutual Has Liberalizations in Agents' Contract

Connecticut Mutual Life concluded this week a series of four regional conferences for agents with a meeting at Colorado Springs. Other conferences were at Mackinac Island, Whiteface Inn, Whiteface, N. Y., and Virginia Beach.

Raymond W. Simpkin, agency vice-president, reviewed increases made in the company's commission schedule last January and announced further adjustments in commissions and agents' benefits which will be made at the first of the year. The agents' contract has been liberalized and, in addition to the vesting of the deferred firsts and two 10's, the company now will vest 3-5's for agents who have had five years of continuous service. Minimum death benefits under the retirement plan will be increased from \$2,000 to \$2,500 with a maximum of \$5,000, and contributory group, with benefits ranging from \$2,500 to \$15,000, according to income, will become effective Jan. 1.

Vincent B. Coffin, senior vice-president, reviewed the history of the agents' contract and the retirement plan for agents. George F. B. Smith, executive vice-president, discussed the company's financial position and traced its growth and development over the past 25 years.

Horace R. Smith, superintendent of agencies, who presided on the second day of the conferences, in optimistic terms, reviewed the financial situation of the family today, and was moderator of a discussion on sales methods. Nine agents from each region made up the panels, revealing the sources of their best leads, their pre-approach techniques, and the methods used by each in closing their sales interviews.

The third morning of the sessions was devoted to a discussion of advanced sales with E. A. Starr, superintendent of agencies, as chairman. He was assisted by Paul A. Hoeffler, assistant counsel, and Ralph J. Chittick, attorney. Last year 30% of the company's total volume was in the field of employee plans and business insurance. "Every concern, small and large, will some day have either a pension or profit-sharing plan," Mr. Starr said. "Of six million business concerns, about 20,000 have qualified plans which means there is a huge potential volume of business remaining."

T. B. McRann Appointed Hancock Agency Supervisor

Thomas B. McRann, formerly regional New York supervisor for John Hancock, has been appointed a supervisor of agencies at the home office.

Mr. McRann joined the company in 1939 at Yonkers, and was agent and assistant district manager prior to his appointment at Albany. Succeeding him is Sylvan Schnall, formerly assistant district manager at Albany. He went with the company in 1936.



Thomas B. McRann

Concerted A. & H. Plans Discussed at U. S. Life Convention

News of streamlining of A. & H. policies and bright reports on the company's life, group and A. & H. sales featured the annual agency convention of U. S. Life at Williamsburg, Va. A total of 28 agencies in this country and Hawaii and Venezuela were represented.

President Raymond H. Belknap was toastmaster at the annual banquet, at which main speaker was Chairman Roy Tuchbreiter, who is president of Continental Casualty and Continental Assurance, which bought U. S. Life last year. An assurance to the agents that facilities of both companies are available to them was voiced by Mr. Belknap.

The report on U. S. Life's A. & H. plans was given by Vice-president J. Francis Welch, who declared the company soon will boil down its coverages in this field to three overall plans. He said U. S. Life this year is issuing three times as many A. & H. policies as in 1952 and expects to increase this to six times last year's amount by 1954.

Linked to this report was introduction of a "package plan" visual kit, presented by John Weaver, executive vice-president, and J. Stanley Husid, manager at Trenton.

"Package plans are a tried and tested method of building an interview. They are the fastest, cheapest way known to get a satisfactory close," Mr. Weaver said. "They help the general agent sell his agency to the personal producer and give the agent a track to run on which helps build his confidence and enthusiasm."

A number of other agent-assists were introduced at the convention. Dennis Hardcastle, agency supervisor, discussed a new sales visual for A. & H. which stresses the personal approach, and a professional selling kit was demonstrated by Thomas J. Munn, assistant superintendent of agencies.

To aid in promotion of group sales, a newly developed "sales robot" was shown by Fred O. Becher, Jr., vice-president. This condenses the various steps in writing a group case. Robert L. Bergstresser, actuary, told of a new rate manual.

Other speakers included George M. Selser, vice-president and secretary; Robert W. Staton, superintendent of agencies; John Sheehan, assistant secretary and chief underwriter; James M. Mazzeo, assistant director of group sales and service; Emanuel Dash, president of the Dascit Underwriters, New York City agency; Otto M. Sherman, New York City; James M. Reilly, manager at Buffalo; Charles Zahorik, manager at Paterson, N. J., and James F. MacGrath, general agent at New York City.

Award winners included the Alva agency and the Independence agency, both at New York, agency quality production; S. Nickells, Japan, and Peter Casticum, New York, agent quality production; Brainard & Black, Hawaii, group A. & H. premium volume; Frank K. Smith agency, Washington, D. C., group life volume; Aaron Wolkenfeld, New York, individual group life and A. & H. production; White & White agency, New York, group life and A. & H. volume, and Takao Yamauchi, Hawaii, and Julius Katz, New York, 16-year app-a-week memberships.

FIDELITY

well-balanced

A well-balanced company is, we believe, a company

- ... whose financial position is strong
- ... whose geographical market embraces a balance of metropolitan, town and rural areas
- ... whose policy contracts include all fundamental coverages ...

It is a company

- ... whose contributions to its industry have been recognized as outstanding
- ... whose growth has been steady and uniform
- ... whose size is sufficiently large to assure confidence and prestige
- ... whose management, nevertheless, has never lost the common touch with agent and policyholder
- ... whose reputation as a friendly company has been consistently upheld

Fidelity is a well-balanced company

The FIDELITY MUTUAL LIFE INSURANCE COMPANY

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OUR CREDENTIALS...

Forty-seven years of steady, conservative growth. A financial statement of stability and soundness.

A constantly expanding service to field man and policy owner.

A group of Life Underwriters who are second to none. A company whose roots grow deep into the tradition of Life Underwriting.

Forty-seven years marked with honor, dignity, amiability and unfailing courtesy in all dealings.

OUR CREDENTIALS...

granting us the privilege of participating in the great business of Life Insurance.

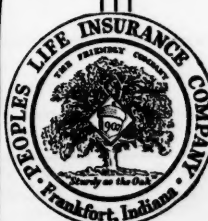
If you are interested in the best, you will find it pays to be friendly with

PEOPLES LIFE INSURANCE COMPANY

"The Friendly Company"

Frankfort

Indiana



EDITORIAL COMMENT

Time to Tidy Up in Texas

The insurance people in Texas with concern in their hearts think well of Garland Smith, who has just been appointed life insurance commissioner and chairman of the board of insurance commissioners. They wish him well and they are joined in this by insurance people in other parts of the country who are disturbed by the promotional wilderness that Texas has become from an insurance standpoint. With the latter, it is not simply a matter of sympathy for the prospective plight of Texas policyholders and agents who are going to get hurt in the final and inevitable chapter—they feel there are going to be scandals that may involve the entire business and bring political solutions of a very unwelcome nature.

Specifically, responsible leaders in the life insurance business are concerned by the formation of insurance companies in Texas without any real insurance intent but to take advantage of the income tax position that life insurance companies so deservedly occupy. Right now there are valiant efforts being made to arrive at a definition of what constitutes doing an insurance business in an endeavor to save the whole life insurance structure from being penalized so as to reach the proprietors of the phony companies.

Besides that there are indications that asset manipulation and many of the old tricks of insurance sleight of hand artists are creeping into the fringe operations in Texas; not to mention the growth of schemes that trade on the insurance label but in

which the policyholder comes last. In the Texas Mutual case, for instance, were exposed shenanigans reminiscent of what went on in the dark ages in other states and which have been largely eliminated elsewhere. These promoters and reckless and venal operators are well entrenched politically in Texas as they have the knack of getting the economically unsophisticated legislator in their corner. That, of course, is an old familiar pattern. It used to be said in other states where promoters ran uncurbed that all they had to do was know the governor and they could get away with anything. That was true up until the day of the debacle—but the governor wasn't there then to convert the second mortgage on the abandoned gravel pit into dollars to satisfy policy claimants.

Mr. Smith faces a difficult task. It is a task that becomes more difficult every day that it is put off. It is a dull week in Texas that doesn't see the formation of at least one new insurance company and there was a period not so long ago when they were being launched by the dozens because there was some change in the law threatened. This is psychologically the right time to face up to the problem in Texas. There is a change in administration. It is easier to set a firm policy ab novo than in medias res. If Mr. Smith has the will to do something about it, he should be given every encouragement and assistance on the part of those who have the good name of insurance and the good name of Texas at heart.

Joint Sessions—Their Scope and Limits

At two national life insurance organization meetings last week there were developments having a bearing on the important matter of cutting down on the number of meetings in the life insurance business, particularly promoting joint sessions of groups engaged in much the same type of endeavor and having substantially the same members and problems.

The American Life Convention executive committee's decision that the A.L.C. agency, legal, and medical sections should take steps toward holding their sessions jointly with those of L.I.A.M.A., Assn. of Life Insurance Counsel, and Assn. of Life Insurance Medical Directors, respectively, seems all to the good. This was one of the

recommendations of the joint A.L.C.-Life Insurance Assn. of America committee headed by President Louis W. Dawson of Mutual Life.

For many agency executives, home office counsel, and medical directors the change, if carried through, will mean one less meeting a year. These meetings are all enjoyable and instructive but for busy executives there can be too much of a good thing. For the companies involved there is a needless drain on manpower. At the same time, the A.L.C. sections will retain their identity. It could be that after a period of holding joint meetings with their opposite numbers it will eventually seem better to operate on a completely merged basis. But the big

thing is to cut so many meetings, and the project of having joint meetings with jointly arranged programs seems to meet that objective regardless of whether there is later on a further consolidation.

The other recent development we were referring to was the presentation of evidence at the annual meeting of the Life Insurance Advertisers Assn. that tends to discount the idea that any worthwhile saving in executive time could be effected by attempting to merge the functions of L.A.A. with those of L.I.A.M.A. The report of the L.A.A. public relations committee contained a good many indications that the advertising and public relations function was moving in the direction of separation from agency department operations, the concept being that of a staff function cutting through all operating departments and being independent of them, with the head P.R. man reporting direct to the president.

The L.A.A. committee questioned its membership and found that in the life companies participating in the survey the public relations departments were part of the agency department in only 31% of the companies while in 53% of the companies the P.R. department was separate, responsible only to top management.

Asked why their setup was the way it was, a majority of those having a P.R. department as part of the agency department said it just grew up that way as a natural development of sales promotion or that the company was too small to have a separate P.R. division. Generally the comments indicated that this arrangement is not entirely satisfactory. Some said they

are in the process of changing. The majority of those not under agency department supervision advanced some strong reasons for having the public relations function separate from the agency department.

Some of these comments were:

"Line departments are often so busy with daily problems that matters of public relations might be subordinated to regular activities."

"Since P.R. activities encompass every phase of company operations and overlap departmental lines, it would be a mistake to make P.R. a subservient part of only one department."

"Public relations is a staff function, cutting through all operating departments and should be independent of such departments."

"We try to cover all phases of our company operations and so we need central coordination."

It was the L.A.A. public relations committee's belief that the weight of reasonable argument as well as the fact of present practice favor a separate public relations unit and that the person charged with the public relations functions should report directly to top management.

Incidentally, though the report mentioned no company by name, the recent appointment of Donald E. Lynch, formerly of L.I.A.M.A., as director of public relations of Mutual Benefit Life, reporting directly to the president, is an indication of the trend toward thinking of public relations as something more than an adjunct of the agency department, important though public relations undoubtedly is to life company agency department operations.

PERSONAL SIDE OF THE BUSINESS

F. J. Moore, president of Hawaiian Life of Honolulu, attended his first A.L.C. meeting this year at Chicago. Hawaiian Life now has about \$14 million of insurance in force and \$4 million of assets. It occupies its own million dollar building in Hawaii that is a landmark in Honolulu. The company was formed in 1947 to take over the Hawaiian business of Insular Life of Manila. Previously, Mr. Moore had been vice-president of Bank of America in the Philippines. He went there in 1947 to start Bank of America's first overseas bank. His business career has been devoted to the banking business in California and the Far East.

Edward D. Mitchell, board chairman of Beneficial Standard Life, and Mrs. Mitchell left by air from Los Angeles to Hawaii on the first leg of a round-the-world tour to last until early in

1954. Prior to his departure Mr. Mitchell was given a testimonial dinner by business associates and friends and was presented a portrait painted by the internationally known artist, John Doctoroff.

Danforth E. Ball, president emeritus of Columbus Mutual Life, is confined to Mount Carmel hospital, Columbus, with a broken leg. He is getting along well, but will have to be hospitalized several weeks more.

Richard Rhodebeck, vice-president of American Life, has recently returned from a three months' tour of the Caribbean Islands. In charge of life insurance development for American Life, one of the companies in the American International group, Mr. Rhodebeck travels extensively, dealing with life insurance companies in vari-

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Howard J. Burridge, President.
Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
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Theo P. Beasley, president of Repub-
lic National Life, has been named
chairman of the annual Cotton Bowl
Religious Festival, to be held at Dallas
Sunday, Oct. 25. He will preside over
the religious meeting at the State Fair
Cotton Bowl stadium. Mr. Beasley was
lay churchman of the year in 1952.

Bernard L. Frischman, Manhattan
Life general agent in New York, made
a hole-in-one on the course of the
French Lick Springs hotel, French
Lick, Ind., while the company was
having its recent annual agency con-
ference.

H. Clay Evans Johnson, president of
Interstate L. & A., has been appointed
a member of the insurance department
committee of the U. S. Chamber of
Commerce.

E. E. Keller, general agent for Lin-
coln National Life at San Francisco,
has been elected president of Californ-
ia Elks Assn.

Fern J. Blose, Union Central, Day-
ton, has been elected grand command-
er of the Grand Commandery of Ohio,
Knights Templar.

The first of what developed into a
famous and popular series of break-
fasts during the A.L.C. convention was
given in 1935 by **W. T. Grant**, who is
now chairman of Business Men's As-
surance. This was in honor of Lester
Schrivier, who was then general agent
at Peoria for Aetna Life and had just
been elected president of N.A.L.U. The
purpose of the breakfast was to have
the executives of smaller and medium
size companies especially in the middle
west and south meet the new N.A.L.U.
president and hear a message from
him. Except for the war years when
there were no A.L.C. meetings, this
breakfast has been given each year
since with the new N.A.L.U. president
being featured and speaking for a few
minutes. It was a coincidence that at
this year's meeting last week at the
Edgewater Beach hotel, Chicago, Mr.
Schrivier was present in his new ca-
pacity of managing director of N.A.L.U.,
being at the right hand of Robert Gil-
more of Bridgeport, Conn., the new
N.A.L.U. president. Jay Higdon, presi-
dent of B.M.A., was unable to be in

Chicago for the breakfast because as
president of the Kansas City chamber
of commerce, he had to be on hand to
attend the final board meeting before
the annual gathering.

Walter Klem, senior vice-president
and actuary of Equitable Society, has
been appointed by President Eisen-
hower to a three-man board which will
assist the Defense Department in for-
mulating a basis for pensions to wid-
ows and children of retired service
men. He is a fellow of Society of Ac-
tuaries.

The life insurance career of **Dr.
Charles H. Webster**, New York Life,
Ithaca, N. Y., is featured this month
in the Cornell University Alumni
News. Although a 1904 medical grad-
uate, Dr. Webster never practiced
medicine, instead spending his entire
career in life insurance. Last June he
led all company agents by writing 75
paid policies totaling \$1 million. Dur-
ing his 53 years with New York Life,
he has sold about \$30 million of in-
surance, 90% of it to Cornell people.
He has been instrumental in getting
several other Cornell graduates to
join New York Life, and it is esti-
mated that these agents now have
written more than \$70 million of life
insurance. A son, Robert L. Webster,
who is a 1930 Cornell graduate, also
is with New York Life as an agent.

Robert L. Hoffman, who as reported
last week is the
new Baltimore
manager for Union
Central Life, start-
ed in life insur-
ance in 1935 at
Philadelphia as an
agent for Provid-
ent Mutual. From
1944 until his
Union Central ap-
pointment, he was
with Massachu-
setts Mutual as an
agent and super-
visor at Philadelphia and as district
manager at Doylestown, Pa.



Robert L. Hoffman

One of the greatest forensic hours
in the whole history of American Life
Convention took place at the gathering
at Chicago last week when **Claris
Adams**, president of Ohio State Life,
delivered the eulogy of the 20 past
(CONTINUED ON PAGE 26)

Congratulations



to the eight field
associates upon whom the
American College of Life Under-
writers conferred the CLU desig-
nation in August at the 64th
annual NALU convention:

- | | |
|---------------------|-------------|
| E. E. Bearg | Minneapolis |
| A. N. Caines, GA | Waterloo |
| E. N. Conklin, GA | Syracuse |
| F. H. Manning | Kansas City |
| H. F. Mischke | St. Paul |
| W. J. Ondrejcka, GA | Sacramento |
| R. B. Ryden | Des Moines |
| R. J. Schmidt | Harrisburg |

KEYED FOR
CAREER LIFE
UNDERWRITERS



EQUITABLE LIFE INSURANCE

COMPANY OF IOWA
FOUNDED IN 1867 IN DES MOINES

THE ACID TEST



The Central Standard Life Insurance Company, in its almost
a half-century of sound insurance practices, has successfully met the
challenge of a half dozen wars and depressions, and after each of
them has emerged larger and stronger.

a neighborly company

CENTRAL STANDARD LIFE
INSURANCE COMPANY

211 W. Wacker Drive

Chicago 6

LIBERTY LIFE · LIBERTY LIFE · LIBERTY LIFE

VANISHING AMERICANS

And We Don't Mean Indians!

Remember the old days when a life insurance agent found an iron curtain around every prospect? Do you recall how every persuasion in the book (and some that weren't in it) had to be used to break down resistance?

Times have changed, and so has the agent's position with the public. Every day, Liberty Life representatives are finding that prospects no longer look with suspicion upon life insurance in general and the agent in specific. Those who think that insurance is only for the other guy—these are the Americans who are rapidly vanishing.

The reason is that Life insurance has been made a part of America's daily living. We pay tribute to those who have helped bring about this happy situation.



FOUNDED 1905

LIBERTY LIFE

INSURANCE COMPANY

Home Office

GREENVILLE, SOUTH CAROLINA

FINANCIAL FREEDOM FOR THE FAMILY

\$8618.

Face value of the average of all policies placed in force by UNITED LIFE in 1952 was \$8618—in 1951, \$8293—in 1950, \$7846 . . . earning fifth position in this respect for UNITED LIFE among the nation's more than 500 life insurance companies.

The scope and added benefits of every UNITED LIFE policy provide underwriter and policyholder alike with an unusual opportunity.

For particulars write to WM. D. HALLER,
Vice President and Agency Manager



UNITED

LIFE AND ACCIDENT
INSURANCE COMPANY

Concord, New Hampshire

PERSONALS

(CONTINUED FROM PAGE 35)

presidents of A.L.C. at the luncheon in their honor. Many have been the platform triumphs of Claris Adams but never did he perform with greater artistry (in the best sense of the word). He spoke for nearly an hour and held the group spellbound for the entire period. Each of the past presidents got equal treatment and the character and contribution of each was delineated by Mr. Adams in a faithfully pertinent way. Each of the former presidents was crowned verbally, but it was far from being simply a Niagara of honeyed words. Mr. Adams had done a magnificent creative job in epitomizing the particular spark that animated each of these men and what gripped the audience was the great job of characterization that was being presented. Many think that Mr. Adams' gift of speech is something automatic and that he simply needs to be introduced and the words start flowing. That, however, is not the case. He is not an orator with a pocketful of canned speeches. Everything he says has originality and is a product of a great deal of internal agonizing and searching. Those who know Mr. Adams intimately knew that what had preceded that great performance in introducing the past presidents was days of internal tensions and concentration and that the performance taxed his entire physical and mental resources and strength.

Edward L. Scheufler, who as U. S. district attorney at Kansas City is the key prosecuting figure in the case involving the kidnaping and killing of 6-year old Bobby Greenlease, served as superintendent of the Missouri department from 1941 to 1945, and is a former chairman of the executive committee of National Assn. of Insurance Commissioners.

Plan Would Let N. Y. Insurers Aid State LUA

(CONTINUED FROM PAGE 1)

that not only conforms with the insurance law but also is open and above-board in all respects.

For its part, the state association is not concerned whether the companies help out with the financing as "members" or on some other basis, so long as it is on a regular plan that would go along on a regular basis in the absence of steps to discontinue it.

Incidentally, the adoption of a plan under which the companies would share in the financing of state association activities but not be actual members in name or in fact would closely parallel a suggestion made by B. N. Woodson, president of American General Life of Houston and former N.A.L.U. managing director, in response to a letter from the editor of THE NATIONAL UNDERWRITER life edition asking for his comments on the editorial in the Sept. 18 issue endorsing the company-member plan, since Mr. Woodson was known to be an opponent of the plan.

Mr. Woodson wrote in part: "You might say the difference between us boils down to the simple thing that we are both in favor of assessing the companies but I'm just in favor of telling that it is their cost of the legislative effort for the common good and that they can pay if they want to carry their share of the load. But I don't see the need to call them members when

DEATHS

JOSEPH W. HUGHES, vice-president and controller of Pan-American Life, died.



Joseph W. Hughes

He joined Pan-American Life in 1948. He was past officer of Insurance Accounting & Statistics Assn., Mr. Hughes at one time compiled a special manual for International Business Machines Corp. dealing with the application of the machines to life insurance. He also assisted the joint committee of Actuarial Society in preparing the actuarial tables now in general use.

GEORGE BOND, agent for Northwestern Mutual at Oklahoma City, died after an illness of more than six months, caused by a brain tumor. He began in insurance at Enid with Mutual of New York, later going with Union Central, and then joined Northwestern Mutual at Oklahoma City.

SIDNEY H. PIPE, 76, consulting actuary, died at his home at Toronto. Before going to Canada, Mr. Pipe was with Pearl Life of London, England. He formed his own company in 1907 and at the time of his death was senior partner in Pipe & Eckler, consulting actuaries.

WILLIAM E. OSBORN, 77, who joined Provident Mutual at Indianapolis in 1909 and served as general agent there for many years, died in that city. He was a past president of Indianapolis Assn. of Life Underwriters.

FOED ROGERS, 76, district manager at Hartford, Ind., for Aetna Life, with which he was associated since 1922, died after an extended illness.

LUCAS J. POLAK, 57, agent for Metropolitan Life at Buffalo for 31 years, died after a three-week illness.

we do that. And that's just what I opposed to. I think the evil is not very great but that the appearance of evil is very great and for that reason would like to not call them members. But as you can see, we're not very far apart.

"I have always felt—even before I read your excellent editorial—that the companies should pay their share of the freight and that the real problem was only in how to bill them and not in the matter of whether they should or shouldn't pay."

Prudence Names Miss., Ark. Chie

Prudence Life of Chicago has been licensed in Mississippi and also has opened a new branch at Little Rock, Ark., located in the Wallace building.

Michael C. Greenhill has been named regional manager for Arkansas and Mississippi. An air force veteran, Mr. Greenhill has served in management positions with Reserve Life and National Bankers in Arkansas, Texas, Mississippi, Tennessee and Virginia.

Maple Breakfast for Bankers

National Life of Vermont again will hold a Maple Breakfast for those attending the Mortgage Bankers Association convention at Miami Beach. The breakfast is scheduled for Nov. 11.

October 18, 1952
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Wolverton Committee Hears Spokesmen on A. & H. Plans

(CONTINUED FROM PAGE 1)

invited by the committee to tell Congress the facts about the growth and extent of coverage of voluntary health plans are:

Henry S. Beers, vice-president of Aetna Life; Edmund B. Whittaker, vice-president of Prudential; Charles G. Hill, group secretary of Massachusetts Mutual Life; A. M. Wilson, assistant manager, A. & H. department of Liberty Mutual, and E. J. Faulkner, president of Woodman Central Life. Frazier S. Wilson, manager of insurance for United Air Lines, told the committee of the importance of company sponsored programs for hospitalization, retirement income, etc., on employee morale.

Mr. Beers declared: "Hospital-surgical expense insurance has been by far the most rapidly growing line of voluntarily purchased social insurance that the world has ever seen.... The 91 million persons with hospital coverage, for example, represent almost 60% of our United States population of about 160 millions, many of whom are for one reason or another not in the market for hospital-bill prepayment coverage."

New and still in the early stages of development, "major medical expense insurance" is being sought and accepted by the public so rapidly that Mr. Whittaker termed it "the most important development in group insurance in the last 20 years." He pointed out that it is sometimes referred to as "medical catastrophe insurance."

With the growth in popularity of fringe benefits in lieu of cash wage increases, there is a natural tendency for labor organizations "to concentrate on providing benefits under which large numbers of workers or their families would collect, rather than insuring against tremendous medical bills which occasionally ruin even the most prosperous families," he said.

Mr. Whittaker described the vast computations and sampling techniques that had to be developed in arriving at major medical insurance costs, and the proper types of policies which would provide practically complete coverage for individuals and their families. He stressed the need for placing this insurance on a financially sound basis. He described the use of deductible expense features and co-insurance factors, in which the insured person becomes in small degree a co-insurer of himself, in order to place on him some responsibility for holding medical costs and charges within reasonable bounds.

"The only economical method of taking care of small medical bills is for the patient to pay for them himself without involving claim investigations. By cutting out the expenses of paying small claims, the deductible principle has permitted the use of much lower premium rates than would otherwise be necessary," Mr. Whittaker explained. "The principle of co-insurance means that the patient has to pay part of the bill, and we believe that co-insurance is necessary because, unless the patient has some financial stake in the bill, the cost will skyrocket."

Mr. Hill described the employee benefits and great flexibility of group insurance coverage, and told of the number of employees and their dependents insured under typical group hospital and medical expense master policies issued by his company to

specific business organizations. The group plans he discussed were specially designed to meet the needs of the employees of the individual companies to whom the master group policies were issued. All varied in detail as to the benefits provided under the policies. All provided life insurance protection in addition to hospital and other medical expense coverage.

A. M. Wilson said that a two-fold task in the field of major medical health insurance is: (1) to make it clear to the public that insurance against the normal expenses of daily life adds to those expenses, without providing compensation in the form of increased individual security, and (2) at the same time make it clear that a certain amount of yearly medical expense is almost as unavoidable and foreseeable for the average family as the grocery bill.

Mr. Wilson cited basic principles which he said lie behind the development of insurance plans to cover the costs of serious illness.

"First, there should be a deductible sufficiently high to eliminate the usual and ordinary expense of medical care that can be anticipated in the family budget.... The second principle is that the individual should have a personal financial stake in the medical expense over and beyond the deductible. Since the cost of medical care is affected substantially by the evaluation of the physician as to the ability of the individual to pay, and since human nature dominated by the strong urge for survival is inclined to sacrifice almost everything in an attempt to survive, it seems necessary to introduce the element of co-insurance.... The third principle is that the coverage should be comprehensive.

"The fourth principle is that the insurance carrier must render an effective service. It is the function of insurance to take an interest in the reasonableness of the fee charged. It was obvious from the very beginning that the insurance carrier could not tell the insured that the fee was unreasonable and refuse to pay the fee. It was, however, possible to recognize whether the fee was in line with that charged by other reputable physicians in the same area under similar circumstances, and where evidence existed of an abnormally high fee, to bring this to the attention of the physician," Mr. Wilson stated.

Discussing the relationships between individual and group A. & H. insurance, Mr. Faulkner said:

"It is important to recognize that individual A. & H. insurance and group A. & H. insurance play complementary roles in the indemnification of loss due to disability. Group insurance is designed to provide a floor of protection primarily for employed groups or associations formed for purposes other than securing insurance. By its very nature it cannot be tailored to the individual needs of all members of the group.

"Individual insurance is tailored to the particular needs of the individual in a way that group insurance cannot be."

F. S. Wilson said the annual cost of United's employee benefit program equals the value of the company's entire aircraft fleet a decade ago. The program was described as including a retirement income plan, free life insurance, group accident-sickness hospitalization and sick-leave pay.

"Perhaps security stifles initiative," Mr. Wilson said, "but it is impractical to believe that the employee of a gen-



William E. Reeve (right), 81, celebrating his 65th anniversary as an agent for New York Life, is shown receiving the congratulations of Eugene C. Josephs, president. Mr. Reeve, who has no intention of retiring, is with the Seaboard branch at 217 Broadway, New York City.

eration ago was a more productive worker because he was bankrupt by his son's tuberculosis; that he was a more effective producer because, though perhaps worn out at 65, he still had to earn his bread; that he was more creative because he knew his family would suffer if he ever became too ill to work or died.

"It is more practical to believe that

our employees are better workers and citizens because an enlightened management has volunteered to assist them in insuring a secure future."

Mr. Wilson said that United was the first airline to offer a retirement income plan to employees and that it is the only airline which provides free life insurance for all employees. The company has had group A. & H. benefits in force since 1934.

Eugene M. Thore, general counsel of Life Insurance Assn. of America, described the operations of the Life Insurance Medical Research Fund, his appearance before the committee being prompted by the interest it had shown in the fund.

In his discussion of catastrophic insurance, Whittaker submitted data on a number of individual claims. He said he had been informed Metropolitan recently wrote a major medical plan policy for Eastman Kodak. This witness admitted 1 million covered by major medical does not seem very much compared to total U. S. population, but it is a great deal considering newness of this program and the problems involved.

Mr. Whittaker did not think major medical is included under Blue Cross. All the bigger companies—probably 25 at least—are writing major medical, and any others which write basic medical coverage, "will have to" write

WANT ADS

Rates—\$15 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

GENERAL AGENT WANTED IN NORTHERN NEW JERSEY

One of the Nation's leading mutual life insurance companies, over 100 years old, with its home office located in New England, has this responsible position open for the right man.

This excellent opportunity is available for the man with proven sales ability and experience in supervision of agents, and who has the desire to build a career field organization. The position provides excellent income for the man who qualifies.

The Company is progressive, has attractive career contracts and home office training for agents.

Prompt action is desired. Give full details in first letter. You may write in complete confidence as our organization knows of this advertisement.

Box No. U-77

The National Underwriter, 175 W. Jackson Blvd.
Chicago 4, Ill.

NEW OPENINGS FOR LIFE GENERAL AGENTS

Mississippi, Georgia, Florida.

(Some Personal producing general agent openings.) Top commissions. Extensive line unusual policies. Special sales plan. Old line Co. Starter plan for experienced agents who want their own agency. Address Box U-71, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

UNUSUAL ACTUARIAL OPPORTUNITY

Medium sized rapidly growing midwest combination company has outstanding opening in actuarial department for man under age 45. Must have executive ability and be Fellow of Society of Actuaries. Give full particulars. Replies handled confidentially. Address U-39, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE

Experienced (seven years) in life insurance sales with four years management work in detached office. Now located in Midwest but prefer move to agency building opportunity in state with temperate climate. Address U-72, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

the former, the witness said. No physical examination is required.

Mr. Wilson said Liberty Mutual has written about 1,000 individual medical deductible policies and "the unknown of the long term" is subject of company study.

Wolverton asked him and one or two other witnesses about the probable or possible effect of legislation to authorize full medical expense deduction on income tax returns, but got no firm answer.

He also asked whether it is possible for health insurance to be non-cancellable or renewable for life. That is a "goal to work for", it was opined. It was brought out that one question is how much experience can be gained to guide companies in working at this program. A number of companies are experimenting in this field, Mr. Wilson testified, "because it represents possible major losses."

Blue Cross provides basic coverage, Mr. Wilson said, and the company concerned provides catastrophic.

Wolverton introduced R. L. Hogg, executive vice-president and general counsel of American Life Convention, to the committee and the audience, referring to his former service in Congress from a West Virginia district. Mr. Hogg acknowledged with thanks.

Wolverton remarked that it appears "helpful experimentation has been going on", but as yet "there has not been devised, and perhaps cannot be devised, satisfactory way" of dealing with catastrophic long-term illness. He invited discussion and comment upon "that type of thing."

Mr. Hill read a 19-page statement in which he described several typical group plans written by Massachusetts Mutual. Upon its conclusion, Wolverton asked a number of questions, which produced the following information:

About 5 states prohibit writing A. & H. for groups of less than 25 lives. This problem is being dealt with by L.I.A. and A.L.C., with a view to getting these laws changed. There is no deductible in basic coverage of Massachusetts Mutual. The company pools the finances of all policies up to 50 lives. All costs of plan operation are less than 4% of premiums.

Wolverton invited supplemental information from witnesses regarding bills introduced last Congress by Rep. Herter and others on health insurance. He expressed the hope the companies "will use every effort" to bring about wider coverage. In opening the Tuesday hearing Wolverton made a statement in part as follows:

"Many plans are in existence which seek to give protection against medical and hospital expenses. It is our purpose in this second series of our hearings to go into the question of how extensive this coverage is. The committee is concerned with the cost of such protection and whether it extends to major or catastrophic medical and hospital expenses. We are also interested in learning of the arrangements under different plans now in existence which have been made with hospitals and physicians. The committee likes to learn about the experience gained with existing plans, including the difficulties that have been encountered in the administration of such plans. Growing out of the experience with existing plans, the committee hopes to learn of ways and means by which voluntary protection can be improved and broadened."

At conclusion of the hearing, Wolverton made a long statement concerning the necessity of providing protection, especially on long-term illness. From it insurance industry observers present frankly admitted possibility of real danger that the federal government may interest itself in legislation, not necessarily for national compulsory health insurance, but some form of government guarantee, coinsurance or what not.

New Bankers, Iowa, Agency at Trenton Under Rohrbach

Earl J. Rohrbach has been named manager of a new Bankers Life of Iowa agency at Trenton, N. J. He has been field supervisor in the eastern district since 1951, and before that an agent at Philadelphia.

Mr. Rohrbach joined Bankers Life in 1949. He is an army veteran.



Earl J. Rohrbach

Speakers, Topics for LIAMA Chicago Annual Given

(CONTINUED FROM PAGE 2)

there will be a three-session trainers' conference. Ward Phelps, director of field relations Mutual Life, will moderate a session Thursday afternoon devoted to training in agency management, and that evening Horace R. Smith, superintendent of agencies Connecticut Mutual, will lead a discussion of the training executive's problems. Problems in training agents will be considered at the Friday morning session, with Harold W. Gardiner, educational director Northwestern Mutual, presiding.

Insurance Retrenchment of FTC Lets Out W. J. Thomas

William J. Thomas, staff attorney for federal trade commission who has handled insurance matters there for several years, is now a victim of the FTC personnel reduction program and is no longer an FTC man. Just the other day he addressed the convention of National Assn. of Insurance Agents.

Rehearing Is Denied

WASHINGTON—The U. S. Supreme Court denied rehearing in No. 808, (1952 term), Pattison vs. Union Central Life.

Gulf Honors Prudential

Gulf Life of Jacksonville honored officials of Prudential at a reception attended by 350 Jacksonville civic and business leaders. Attending were Gulf Life President S. Kendrick Guernsey; and Vice-president Charles W. Campbell, 2nd Vice-president Ernest S. Allsopp, Gerald Eubanks, assistant to the president, and Executive Vice-president Valentine Howell, all of Prudential.

Has Managers' Training Program

General American Life, in cooperation with L.I.A.M.A., has set up a training program for prospective general agents and managers. The program covers a four-year period.

Pageant to Have S S Article

The December issue of Pageant Magazine will feature an expository article on social security.

Late News Bulletins . . .

Conn. Mutual Near '52 Mark in 9 Months

Connecticut Mutual Life showed a 22.4% increase for the first nine months of 1953, new business amounting to \$250,411,829. The gain in insurance in force through September amounts to \$167,619,335, nearly equal to the total gain for 1952.

Bramlett Gets North Georgia Post for K. C. Life

C. W. Bramlett, Jr., has been appointed general agent for northern Georgia for Kansas City Life. He has offices at Marietta and will handle 56 counties. A navy veteran, he has had 10 years of sales experience, three of them in life insurance as an agent and district manager.

Form Managers' Group at Winston-Salem

Life Management Assn. of Winston-Salem has just been organized with L. E. Davenport, Home Security Life, being named chairman. H. W. Bennett is vice-chairman, and S. O. Gilley, secretary.

Winston Heads New Union C. & L. Agency

Union Casualty & Life has appointed Emanuel Winston general agent of a new agency being opened at 4 Fourth avenue, Mount Vernon, N. Y. Mr. Winston started in the business in 1948 as a New York City agent for Mutual Benefit Life, two years later becoming a supervisor for the company there.

• FRANKLIN MANN, retired general agent for Northwestern Mutual Life at Omaha, died there. He was appointed general agent in 1911, previously serving as a statistician at Chicago. He retired in 1938.

• Dr. John Q. Rounsaville has been appointed medical director of National Bankers Life. Dr. Rounsaville graduated at University of Texas school of medicine and is an air force veteran.

Korean Conflict Is War.

Tex. Supreme Court Rules

AUSTIN, TEX.—Texas supreme court has ruled the United States, in the Korean conflict, was engaged in a "war in fact". The court ruled against Mrs. Jennie Louise Davidson Meadows, who as beneficiary sought to recover double indemnity benefits under the policy of Lt. Col. B. E. Meadows, who was killed in a plane crash in Alaska in 1951, while serving in the army engineers corps.

Western Reserve Life admitted the \$5,000 face value of policies on Col. Meadows, but denied double indemnity liability on the accidental death benefits.

"While the policy stated that the beneficiary would receive double indemnity benefits unless her husband 'shall be in military, naval or allied service in time of war at the date of the accident,' the supreme court said: 'It was enough for us to know that war on a large scale had been waged for a long time in Korea and was still being waged when the insured met accidental death.'"

Two other Texas courts—Young county district court and 2nd court of civil appeals at Fort Worth—had held the fatality did not occur in time of war and Mrs. Meadows should receive double indemnity benefits.

U. S. High Court Not to Review Korea Issue

The U. S. Supreme Court has refused to review the two Pennsylvania Mutual Life cases involving double indemnity on service men in which the Pennsylvania supreme court held that the Korean conflict is not war within the meaning of the policies. Presumably there is no federal or constitutional question involved, which would be the only reason for the U. S. Supreme Court to review the cases.

Sees Bright Employee Mart

Today's manpower market is one of the most favorable, Lucian B. Wilmoughby, manager at Fort Worth for Prudential, observed at a meeting of Dallas General Agents & Managers club. He attributed the loosening market to people leaving government service and to returning servicemen.

Equitable Buys \$40 Million Mortgage in Building Sale

NEW YORK—The sale of the Chrysler Building, Chrysler Building East and the Graybar Building to Webb & Knapp and the Graysler Corp. involved a \$40 million mortgage bond issue purchased by Equitable Society.

Driscoll, Hancock, Resigns

James L. Driscoll, manager of the West Towns district at Chicago for John Hancock, has resigned due to ill health, and is succeeded by Denzel J. Haywood.

Mr. Driscoll started with John Hancock in 1928 as an agent at Louisville. Mr. Haywood joined the district agency department staff of the home office in 1950.

Opens New Group Office

A new group office has been opened at New Orleans by Pacific Mutual Life, with B. B. Finley as manager. He formerly was with the St. Louis group office.

Edward W. Lowes has been named home office group representative at St. Louis. He has been on the group staff at Detroit.

Hold Hancock Employee Outing

The FCA, employee association of John Hancock, spent Columbus Day on an outing in Moodus, Conn., at Ted Hilton's famous resort. The day's program included, in addition to a giant barbecue, speedboating, water-cycling, canoeing, as well as numerous other types of individual sports. There was also dancing and old-fashioned hayrides.

Gives Awards for Best Letters

Twelve full-color original paintings of life in America 100 years ago, used as illustrations for the 1953 sportsman's calendar commemorating the centennial of Aetna Life, have been won by Aetna agents in a nationwide letter-writing contest.

The paintings, created especially for Aetna by Henry Sutter, widely known illustrator, were given for the best letters describing unusual experiences in distributing the calendar.

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The Almanac says... "Fair and Warmer"

And right now you would be up to your knees in the South 40. The road looks like a stream, the rain barrel has overflowed and something better be done about the cistern. Not to mention the drips of water that Ma is trying to catch with pans in the upstairs bedrooms. Some predicting.

Plain fact, as every life insurance agent knows, is that you can't predict the future. The Union Central agent also knows that you can prepare for the future on the basis of what happens to most people and still take care of the exceptions.

Certainly the best preparation is life insurance

—Union Central life insurance with its policies and combinations of policies to meet every life insurance need from birth to age 70.

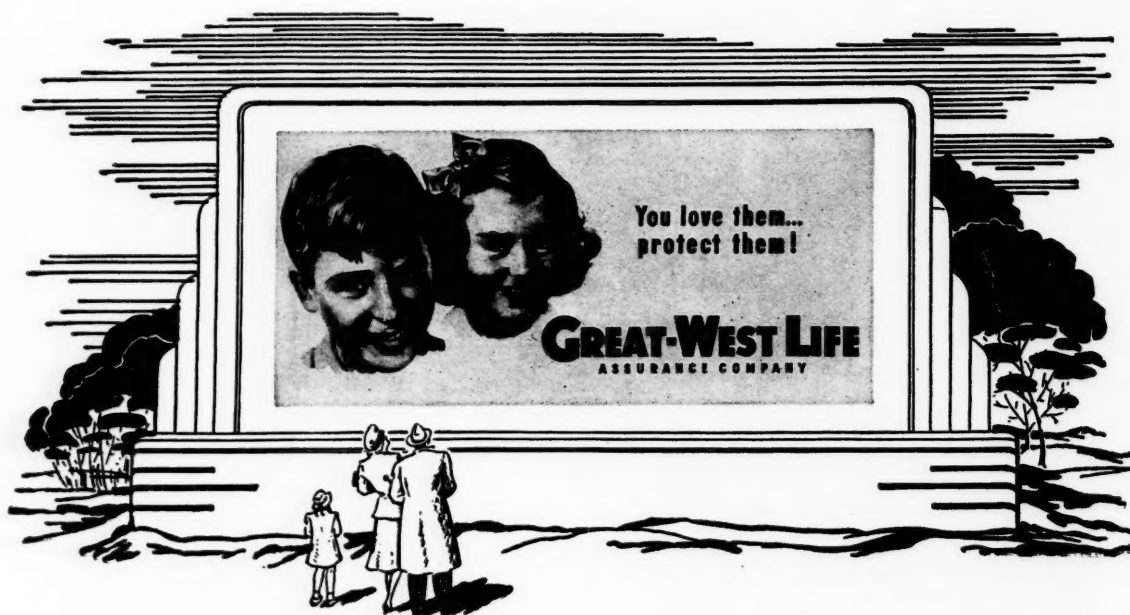
And the Union Central agent is also an up-to-the-minute insurance man. The best policy of twenty years ago isn't necessarily the best policy today. Times change. The needs of people change. An alert, cooperative Home Office keeps all Union Central agents fully informed, helps them with the proper sales tools to make Union Central life insurance serve people best in terms of today's needs—projected reasonably and logically into the future.

THE UNION CENTRAL



LIFE INSURANCE COMPANY

CINCINNATI, OHIO



Heart Appeal and Sales Appeal

This Great-West Life poster with its simple but powerful message will appear in 76 cities and towns throughout the United States and Canada during 1953. The heart appeal of two smiling youngsters is a reminder of the most compelling reason of all for buying life insurance—*love of family.*

Thus, the sales efforts of Great-West Life representatives in 1953 are supported on busy thoroughfares and at important corners by outdoor advertising. Millions of people will see and note the message and challenge of "You love them . . . protect them!"

THE
GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE—WINNIPEG, CANADA